DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 484

[CMS–1265–P]

RIN 0938–AM93

Medicare Program; Home Health Prospective Payment System Rate Update for Calendar Year 2005

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

ACTION: Proposed rule.

SUMMARY: This proposed rule would set forth an update to the 60-day national episode rates and the national per-visit amounts under the Medicare prospective payment system for home health agencies. As part of this proposed rule, we also are proposing to rebase and revise the home health market basket to ensure it continues to adequately reflect the price changes of efficiently providing home health services. In addition, we are proposing to revise the fixed dollar loss ratio, which is used in the calculation of outlier payments. This proposed rule would be the first update of the home health prospective payment system (HH PPS) rates on a calendar year update cycle. HH PPS was moved to a calendar year update cycle as a result the provisions of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

DATE: To be assured of consideration, comments must be received at one of the addresses provided below, no later than 5 p.m. on August 2, 2004.

ADDRESSES: In commenting, please refer to file code CMS–1265–P. Because of staff and resource limitations, we cannot accept comments by facsimile (FAX) transmission.

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For information on viewing public comments, see the beginning of the **SUPPLEMENTARY INFORMATION** section.

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SUPPLEMENTARY INFORMATION:

Inspection of Public Comments: Comments received timely will be available for public inspection as they are received, generally beginning approximately 3 weeks after publication of a document, at the headquarters of the Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Baltimore, Maryland 21244, Monday through Friday of each week from 8:30 a.m. to 4 p.m. To schedule an appointment to view public comments, phone (410) 786–7195.

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I. Background

(If you choose to comment on issues in this section, please include the caption **Background** at the beginning of your comments.)

A. Statutory Background

The Balanced Budget Act of 1997 (BBA), Pub. L. 105–33, enacted on August 5, 1997, significantly changed the way Medicare pays for Medicare home health services. Until the implementation of a home health prospective payment system (HH PPS) on October 1, 2000, home health agencies (HHAs) received payment under a cost-based reimbursement system. Section 4603 of the BBA governed the development of the HH PPS.

Section 4603(a) of the BBA provides the authority for the development of a PPS for all Medicare-covered home health services provided under a plan of care that were paid on a reasonable cost basis by adding section 1895, entitled ''Prospective Payment For Home Health Services,'' to the Social Security Act (the Act).

Section 1895(b)(1) of the Act requires the Secretary to establish a PPS for all costs of home health services paid under Medicare.

Section 1895(b)(3)(A) of the Act requires that (1) the computation of a standard prospective payment amount include all costs of home health services covered and paid for on a reasonable cost basis and be initially based on the most recent audited cost report data available to the Secretary, and (2) the prospective payment amounts be standardized to eliminate the effects of case-mix and wage levels among HHAs.

Section 1895(b)(3)(B) of the Act addresses the annual update to the standard prospective payment amounts by the home health applicable increase percentage as specified in the statute.

Section 1895(b)(4) of the Act governs the payment computation. Sections 1895(b)(4)(A)(i) and (b)(4)(A)(ii) of the Act require the standard prospective payment amount to be adjusted for case-mix and geographic differences in wage levels. Section 1895(b)(4)(B) of the Act requires the establishment of an appropriate case-mix adjustment factor that explains a significant amount of the variation in cost among different units of services. Similarly, section 1895(b)(4)(C) of the Act requires the establishment of wage adjustment factors that reflect the relative level of wages and wage-related costs applicable

to the furnishing of home health services in a geographic area compared to the national average applicable level. These wage-adjustment factors may be the factors used by the Secretary for the different area wage levels for purposes of section 1886(d)(3)(E) of the Act.

Section 1895(b)(5) of the Act gives the Secretary the option to grant additions or adjustments to the payment amount otherwise made in the case of outliers because of unusual variations in the type or amount of medically necessary care. Total outlier payments in a given fiscal year cannot exceed 5 percent of total payments projected or estimated.

B. Updates

On July 3, 2000, we published a final rule (65 FR 41128) in the **Federal Register** to implement the HH PPS legislation. That final rule established requirements for the new PPS for HHAs as required by section 4603 of the BBA, and as subsequently amended by section 5101 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (OCESAA) for Fiscal Year 1999, Public Law 105–277, enacted on October 21, 1998; and by sections 302, 305, and 306 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act (BBRA) of 1999, Public Law 106–113, enacted on November 29, 1999. The requirements include the implementation of a PPS for HHAs, consolidated billing requirements, and a number of other related changes. The PPS described in that rule replaced the retrospective reasonable-cost-based system that was used by Medicare for the payment of home health services under Part A and Part B.

As required by section 1895(b)(3)(B) of the Act, we have updated the HH PPS rates annually in a separate **Federal Register** document. We will respond to public comments received on the FY 2004 update notice (68 FR 39764) published on July 2, 2003 in the CY 2005 final rule.

C. System for Payment of Home Health Services

Generally, Medicare makes payment under the HH PPS on the basis of a national standardized 60-day episode payment, adjusted for case mix and wage index. For episodes with four or fewer visits, Medicare pays on the basis of a national per-visit amount by discipline, referred to as a low utilization payment adjustment (LUPA). Medicare also adjusts the 60-day episode payment for certain intervening events that give rise to a partial episode payment adjustment (PEP adjustment) or a significant change in condition adjustment (SCIC). For certain cases that exceed a specific cost threshold, an outlier adjustment may also be available. For a complete and full description of the HH PPS as required by the BBA and as amended by OCESAA and BBRA, see the July 3, 2000 HH PPS final rule (65 FR 41128).

D. Medicare Prescription Drug, Improvement, and Modernization Act of 2003

On December 8, 2003, the Congress enacted the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 (Pub. L. 108–173). This new legislation affects our proposed update to HH payment rates. Specifically, section 421 of MMA requires, for home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act), with respect to episodes or visits ending on or after April 1, 2004 and before April 1, 2005, that the Secretary increase the payment amount that otherwise would have been made under section 1895 of the Act for the services by 5 percent.

The statute waives budget neutrality for the purposes of this increase as it specifically states that the Secretary will not reduce the standard prospective payment amount (or amounts) under section 1895 of the Act applicable to home health services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.

Section 701 of the MMA changes the yearly update cycle of the HH PPS rates from that of a fiscal year to a calendar year update cycle for 2004 and any subsequent year. Generally, section 701(a) of the MMA changes the references in the statute to refer to the calendar year for 2004 and any subsequent year. The changes result in updates to the HH PPS rates described as ''fiscal year'' updates for 2002 and 2003 and as calendar ''year'' updates for 2004 and any subsequent year (section 1895(b)(3)(B)(i) of the Act). In light of these provisions, we will not be updating the HH PPS rates on October 1, 2004 as HH PPS will now be updated on a calendar year update cycle.

In addition to changing the update cycle for HH PPS rates, section 701 of the MMA makes adjustments to the home health applicable increase percentage for 2004, 2005, and 2006. Specifically, section 701(a)(2)(D) of the MMA leaves unchanged the home health market basket increase for the last calendar year quarter of 2003 and the first calendar year quarter of 2004 (section 1895(b)(3)(B)(ii)(II) of the Act). Furthermore, section 701(b)(4) of the MMA sets the home health applicable percentage increase for the last 3 quarters of 2004 as the home health market basket (3.3 percent) minus 0.8 percentage point (section 1895(b)(3)(B)(ii)(III) of the Act). We implemented this provision through Pub. 100–20, One Time Notification, Transmittal 59, issued February 20, 2004. Section 701(b)(4) of the MMA also provides that updates for CY 2005 and CY 2006 will equal the applicable home health market basket percentage increase minus 0.8 percentage point. Lastly, section 701(b)(3) of the MMA revises the statute to provide that HH PPS rates for CY 2007 and any subsequent year will be updated by that year's home health market basket percentage increase (section 1895(b)(3)(B)(ii)(IV) of the Act).

II. Provisions of the Proposed Regulations

(If you choose to comment on issues in this section, please include the caption ''PROVISIONS OF THE PROPOSED REGULATIONS'' at the beginning of your comments.)

A. National Standardized 60-Day Episode Rate

Medicare HH PPS has been effective since October 1, 2000. As set forth in the final rule published July 3, 2000 in the **Federal Register** (65 FR 41128), the unit of payment under Medicare HH PPS is a national standardized 60-day episode rate. As set forth in 42 CFR 484.220, we adjust the national standardized 60-day episode rate by a case mix grouping and a wage index value based on the site of service for the beneficiary. The proposed CY 2005 HH PPS rates use the same case-mix methodology and application of the wage index adjustment to the labor portion of the HH PPS rates as set forth in the July 3, 2000 final rule. We multiply the national 60-day episode rate by the patient's applicable case-mix weight. We divide the case-mix adjusted amount into a labor and non-labor portion. We multiply the labor portion by the applicable wage index based on the site of service of the beneficiary.

As required by section 1895(b)(3)(B) of the Act, we have updated the HH PPS rates annually in a separate **Federal Register** document. Section 484.225 sets forth the specific percentage update for fiscal years 2001, 2002, and 2003. To reflect the new statutory provisions enacted by section 701 of the MMA, in § 484.225, we are proposing to redesignate paragraph (d) as paragraph (g) and revising it to read as follows:

(g) For 2007 and subsequent calendar years, the unadjusted national rate is equal to the rate for the previous

calendar year increased by the applicable home health market basket index amount.

We are proposing to add new paragraphs (d), (e), and (f) to read as follows:

(d) For the last calendar quarter of 2003 and the first calendar quarter of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket index amount.

(e) For the last 3 calendar quarters of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket minus 0.8 percentage point.

(f) For each of calendar years 2005 and 2006, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous calendar year, increased by the applicable home health market basket minus 0.8 percentage point.

As described in section II.B.2 of this proposed rule, we are proposing to rebase and revise the home health market basket. As proposed, the labor related portion of the rebased and revised home health market basket would be 76.775 percent, and the non-labor portion would be 23.225 percent. We add the wage-adjusted portion to the non-labor portion yielding the case-mix and wage-adjusted 60-day episode rate subject to applicable adjustments.

For CY 2005, we are proposing to use again the design and case-mix methodology described in section III.G of the HH PPS July 3, 2000 final rule (65 FR 41192 through 41203). For CY 2005, we are proposing to base the wage index adjustment to the labor portion of the PPS rates on the most recent pre-floor and pre-reclassified hospital wage index as discussed in section III.C of this proposed rule.

As discussed in the July 3, 2000 HH PPS final rule, for episodes with four or fewer visits, Medicare pays the national per-visit amount by discipline, referred to as a LUPA. We update the national per-visit amounts by discipline annually by the applicable home health market basket percentage. We adjust the national per-visit amount by the appropriate wage index based on the site of service for the beneficiary as set forth in § 484.230. We propose to adjust the labor portion of the updated national per-visit amounts by discipline used to calculate the LUPA by the most recent pre-floor and pre-reclassified hospital wage index, as discussed in section III.C of this proposed rule.

Medicare pays the 60-day case-mix and wage-adjusted episode payment on a split percentage payment approach. The split percentage payment approach includes an initial percentage payment and a final percentage payment as set forth in § 484.205(b)(1) and (b)(2). We may base the initial percentage payment on the submission of a request for anticipated payment and the final percentage payment on the submission of the claim for the episode, as discussed in § 409.43. The claim for the episode that the HHA submits for the final percentage payment determines the total payment amount for the episode and whether we make an applicable adjustment to the 60-day case-mix and wage-adjusted episode payment. The end date of the 60-day episode as reported on the claim determines the rate level at which Medicare will pay the claim for the fiscal period.

We may also adjust the 60-day case-mix and wage-adjusted episode payment based on the information submitted on the claim to reflect the following:

- A low utilization payment provided on a per-visit basis as set forth in § 484.205(c) and § 484.230.
- A partial episode payment adjustment as set forth in § 484.205(d) and § 484.235.
- A significant change in condition adjustment as set forth in § 484.205(e) and § 484.237.
- An outlier payment as set forth in § 484.205(f) and § 484.240.

This proposed rule would reflect the updated CY 2005 rates that would be effective January 1, 2005.

B. Rebasing and Revising of the Home Health Market Basket

1. Background

For CY 2005, section 1895(b)(3)(B) of the Act, as amended by MMA, requires the standard prospective payment amounts to be adjusted by a factor equal to the applicable home health market basket increase minus 0.8 percentage point.

Effective for cost reporting periods beginning on or after July 1, 1980, we developed and adopted an HHA input price index (that is, the home health ''market basket''). Although ''market basket'' technically describes the mix of goods and services used to produce home health care, this term is also commonly used to denote the input price index derived from that market basket. Accordingly, the term ''home health market basket'' used in this document refers to the HHA input price index.

The percentage change in the home health market basket reflects the average change in the price of goods and services purchased by HHAs in providing an efficient level of home health care services. We first used the home health market basket to adjust HHA cost limits by an amount that reflected the average increase in the prices of the goods and services used to furnish reasonable cost home health care. This approach linked the increase in the cost limits to the efficient utilization of resources. For a greater discussion on the home health market basket, see the notice with comment period published in the **Federal Register** on February 15, 1980 (45 FR 10450, 10451), notice with comment period published in the **Federal Register** on February 14, 1995 (60 FR 8389, 8392), and notice with comment period published in **Federal Register** on July 1, 1996 (61 FR 34344, 34347). Beginning with FY 2002, we used the home health market basket to update payments under the home health PPS.

The home health market basket is a fixed-weight Laspeyres-type price index; its weights reflect the cost distribution for the base year while current period price changes are measured. The home health market basket is constructed in three steps. First, a base period is selected and total base period expenditures are estimated for mutually exclusive and exhaustive spending categories based upon type of expenditure. Then the proportion of total costs that each spending category represents is determined. These proportions are called cost or expenditure weights.

The second step essential for developing an input price index is to match each expenditure category to an appropriate price/wage variable, called a price proxy. These proxy variables are drawn from publicly available statistical series published on a consistent schedule, preferably at least quarterly.

In the third and final step, the price level for each spending category is multiplied by the expenditure weight for that category. The sum of these products for all cost categories yields the composite index level in the market basket in a given year. Repeating the third step for other years will produce a time series of market basket index levels. Dividing one index level by an earlier index level will produce rates of growth in the input price index.

We described the market basket as a fixed-weight index because it answers the question of how much more or less it would cost, at a later time, to purchase the same mix of goods and services that was purchased in the base

period. As such, it measures ''pure'' price changes only. The effects on total expenditures resulting from changes in the quantity or mix of goods and services purchased subsequent to the base period are, by design, not considered.

2. Rebasing and Revising the Home Health Market Basket

We believe that it is desirable to rebase the home health market basket periodically so the cost category weights reflect changes in the mix of goods and services that HHAs purchase in furnishing home health care. We based the cost category weights in the current home health market basket on FY 1993 data. We are proposing to rebase and revise the home health market basket to reflect FY 2000 Medicare cost report data, the latest available, thorough data on the structure of HHA costs.

The terms ''rebasing'' and ''revising,'' while often used interchangeably, actually denote different activities. Rebasing is the term used to define moving the base year for the structure of costs of an input price index (that is, in this rule, we are proposing to move the base year cost structure from FY 1993 to FY 2000). Revising is the term used to define changing data sources, cost categories, and/or price proxies used in the input price index.

For this proposed revising and rebasing, we modified several categories in the market basket cost structure. The major revision to the proposed revised and rebased market basket was the combining of the Administrative and General and Other Expenses cost categories. The proposed revised Administrative and General and Other Expenses cost category was disaggregated further into five separate cost categories (Telephone, Postage, Professional Fees, Other Products, and Other Services). The Paper and Printing cost category, which was broken out in the 1993-based market basket, is included in the proposed Other Products cost category.

With the exception of the price proxies for the proposed modified cost categories in the Administrative and General and Other cost category, we propose no further changes to any of the price proxies.

For this proposed rebased and revised market basket, we reviewed HHA expenditure data for the market basket cost categories. For each freestanding HHA, we reviewed Medicare cost reports whose cost reporting period began on or after October 1, 1999 and before October 1, 2000. We maintained our policy of using data from freestanding HHAs because they reflect the actual cost structure faced by HHAs. Expense data for a hospital-based HHA are affected by the allocation of overhead costs over the entire institution (including but not limited to hospital, hospital-based skilled nursing facility, hospital-based HHA). Due to the method of allocation, total expenses will be correct, but the individual components' expenses may be skewed. Therefore, if data from hospital-based HHAs were included, the resultant cost structure could be unrepresentative of the costs facing an average HHA.

Data on HHA expenditures for nine major expense categories (wages and salaries, employee benefits, transportation, operation and maintenance, administrative and general, insurance, fixed capital, movable capital, and a residual ''all other'') were tabulated from the FY 2000 Medicare HHA cost reports. Since prescription drugs and durable medical equipment are not payable under the HH PPS, we excluded those items from the home health market basket. Expenditures for contract services were also tabulated from these FY 2000 Medicare HHA cost reports. After totals for these major cost categories were edited to remove reports where the data were deemed unreasonable (for example, when total costs were not greater than zero), we then determined the proportion of total costs that each category represents. The proportions represent the major rebased home health market basket weights.

We determined the weights for subcategories (Telephone, Postage, Professional Fees, Other Products, and Other Services) within the combined Administrative and General and Other Expenses using the latest available (1997 benchmark) U.S. Department of Commerce, Bureau of Economic Analysis (BEA) Input-Output Table, from which we extracted data for HHAs. The BEA Input-Output table, which is updated at 5-year intervals, was most recently described in the Survey of Current Business article, ''Benchmark Input-Output Accounts of the U.S., 1997'' (December 2002). These data were aged from 1997 to 2000 using relevant price changes.

This work resulted in the identification of 12 separate cost categories, the same number found in the 1993-based home health market basket. The differences between the major categories for the proposed 2000-based index and those used for the current 1993-based index are summarized in Table 1. We have allocated the Contracted Services weight to the Wages and Salaries, Employee Benefits, and Administrative and General and Other Expenses cost categories in the proposed 2000-based index as we did in the 1993-based index.

TABLE 1.—COMPARISON OF 1993 AND PROPOSED 2000-BASED HOME HEALTH MARKET BASKET MAJOR COST CATEGORIES AND WEIGHTS

Cost categories	1993-Based home health market basket	Proposed 2000-based home health market basket
Wages and Salaries, including allocated contract services' labor	64.226	65.766
Employee Benefits, including allocated contract services' labor	13.442	11.009
All Other Expenses including allocated contract services' labor	22.332	23.225
Total	100.000	100.000

The complete proposed 2000-based cost categories and weights are listed in Table 2.

TABLE 2.—COST CATEGORIES, WEIGHTS, AND PRICE PROXIES IN PROPOSED 2000-BASED HOME HEALTH MARKET BASKET

Cost categories	Weight	Price proxy
Compensation, including allocated contract services' labor	76.775	
Wages and Salaries, including allocated contract services' labor.	65.766	Proposed Home Health Occupational Wage Index.
Employee Benefits, including allocated contract services' labor.	11.009	Proposed Home Health Occupational Benefits Index.
Operations & Maintenance	0.825	CPI Fuel & Other Utilities.
Administrative & General & Other Expenses including allocated contract services' labor*.	16.633	
Telephone	0.850	CPI Telephone Services.
Postage	0.563	CPI Postage.
Professional Fees*	1.405	ECI for Compensation for Professional and Technical Workers.
Other Products*	6.419	CPI All Items Less Food and Energy.
Other Services*	7.396	ECI for Compensation for Service Workers.
Transportation	2.744	CPI Private Transportation.
Capital-Related	3.023	
Insurance	0.275	CPI Household Insurance.
Fixed Capital	1.777	CPI Owner's Equivalent Rent.
Movable Capital	0.971	PPI Machinery & Equipment.
Total	100.000	**

* New break-out in cost structure when compared with the 1993-Based home health market basket.
** Figures may not sum to total due to rounding.
Note: Price Proxy explanations are described below.

After we computed the 2000 cost category weights for the proposed rebased home health market basket, we selected the most appropriate wage and price indexes to proxy the rate of change for each expenditure category. These price proxies are based on Bureau of Labor Statistics (BLS) data and are grouped into one of the following BLS categories:

• *Employment Cost Indexes*—Employment Cost Indexes (ECIs) measure the rate of change in employee wage rates and employer costs for employee benefits per hour worked. These indexes are fixed-weight indexes and strictly measure the change in wage rates and employee benefits per hour. They are not affected by shifts in skill mix. ECIs are superior to average hourly earnings as price proxies for input price indexes for two reasons: (a) They measure pure price change; and (b) they are available by occupational groups, not just by industry.

• *Consumer Price Indexes*—Consumer Price Indexes (CPIs) measure change in the prices of final goods and services bought by the typical consumer. Consumer price indexes are used when the expenditure is more similar to that of a purchase at the retail level rather than at the wholesale level, or if no appropriate Producer Price Indexes (PPIs) were available.

• *Producer Price Indexes*—PPIs are used to measure price changes for goods sold in other than retail markets. For example, a PPI for movable equipment is used rather than a CPI for equipment. PPIs in some cases are preferable price proxies for goods that HHAs purchase at wholesale levels. These fixed-weight indexes are a measure of price change at the producer or at the intermediate stage of production.

As part of the revising and rebasing of the home health market basket, we are proposing to rebase the home health blended wage and salary index and the home health blended benefits index. We would use these blended indexes as price proxies for the wages and salary and the employee benefits portions of the proposed 2000-based home health market basket, as we did in the 1993-based home health market basket. The price proxies for these two cost categories are the same as those used in the 1993-based home health market basket with occupational weights reflecting the FY 2000 occupational mix in HHAs. These proxies are a combination of internal (health-industry specific) and external (economy-wide) proxies. The supply and demand relationships for certain professional-technical occupations, such as registered nurses, may be more appropriately reflected in the blended indicators of compensation changes for professional and technical employees.

3. Price Proxies Used To Measure Cost Category Growth

a. Wages and Salaries, including an allocation for contract services' labor: For measuring price growth in the 2000-based home health market basket, as we did in the 1993-based index, five price proxies would be applied to the four occupational subcategories within the wages and salaries component, and would be weighted to reflect the HHA occupational mix. This approach was used because there is not a wage proxy for home health care workers that reflects only wage changes and not both wage and skill mix changes. The Professional and Technical occupational subcategory is represented by a 50–50 blend of hospital industry and economy-wide price proxies. Therefore, there are five price proxies used for the four occupational subcategories. The percentage change in the blended wages and salaries price is applied to the wages and salaries component of the home health market basket, which is described in Table 3.

TABLE 3.—PROPOSED HOME HEALTH OCCUPATIONAL WAGES AND SALARIES INDEX

[Wages and salaries component of the proposed 2000-based home health market basket]

Cost category	Weight	Price proxy
Skilled Nursing & Therapists & Other Professional/Technical, including an allocation for contract services' labor.	53.816	• 50 percent ECI for Wages & Salaries in Private Industry for Professional, Specialty & Technical Workers. • 50 percent ECI for Wages & Salaries for Civilian Hospital Workers.
Managerial/Supervisory, including an allocation for contract services' labor.	7.431	ECI for Wages & Salaries in Private Industry for Executive, Administrative & Managerial Workers.
Clerical, including an allocation for contract services' labor	6.822	ECI for Wages & Salaries in Private Industry for Administrative Support, Including Clerical Workers.
Service, including an allocation for contract services' labor	31.931	ECI for Wages & Salaries in Private Industry Service Occupations.
Total	100.000	

We experimented with using a different blend of ECIs for wages and salaries. In addition to using 50 percent professional and technical workers and 50 percent hospital workers for the professional/technical workers category, we also tried using—

• 100 percent of the professional and technical ECI;

• 50 percent professional/technical and 50 percent health services workers; and

• 100 percent health services workers.

There was very little difference between the three wage and salary blends and the proposed price proxy. The average difference from 1998 to 2002 between the price proxy chosen and the experimental blends was at most 0.2 percentage point in any given year. We did not propose a change from our current blended measure because we believe it reflects the competition between HHAs and hospitals for registered nurses, while still capturing the overall wage trends for professional and technical workers.

b. Employee Benefits, including an allocation for contract services' labor: For measuring employee benefits price growth in the 2000-based home health market basket, price proxies are applied to the four occupational subcategories within the employee benefits component, weighted to reflect the home health occupational mix. The professional and technical occupational subcategory is represented by a blend of hospital industry and economy-wide price proxies. Therefore, there are five price proxies for four occupational subcategories. The percentage change in the blended price of home health employee benefits is applied to this component, which is described in Table 4.

TABLE 4.—PROPOSED HOME HEALTH OCCUPATIONAL BENEFITS INDEX

[Employee benefits component of the proposed 2000-based home health market basket]

Cost category	Weight	Price proxy
Skilled Nursing & Therapists & Other Professional/Technical, including an allocation for contract services' labor.	53.492	• 50 percent ECI for Benefits in Private Industry for Professional, Specialty & Technical Workers. • 50 percent ECI for Benefits for Civilian Hospital Workers.
Managerial/Supervisory, including an allocation for contract services' labor.	7.232	ECI for Benefits in Private Industry for Executive, Administrative & Managerial Workers.
Clerical, including an allocation for contract services' labor	6.914	ECI for Benefits in Private Industry for Administrative Support, Including Clerical Workers.
Service, including an allocation for contract services' labor	32.362	ECI for Benefits in Private Industry Service Occupations.
Total	100.000	

As we did for wages and salaries, we analyzed three different alternatives to use as a proxy for professional/technical benefits. The result of this analysis was similar to that found for wages and salaries. Therefore, we are proposing to continue to use the same 50–50 split for benefits for professional and technical workers (50 percent hospital workers and 50 percent professional and technical workers) as we did in the 1993-based market basket.

c. Operations and Maintenance: The percentage change in the price of Fuel and Other Utilities as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

d. Telephone: The percentage change in the price of Telephone Service as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

e. Postage: The percentage change in the price of Postage as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

f. Professional Fees: The percentage change in the price of Professional Fees as measured by the ECI for Compensation for Professional and Technical Workers is applied to this component. This category was not broken out separately in the 1993-based home health market basket.

g. Other Products: The percentage change in the price for all items less food and energy as measured by the Consumer Price Index is applied to this component. This category was not broken out separately in the 1993-based home health market basket. It includes paper and printing that was a separate cost category in the 1993-based home health market basket.

h. Other Services: The percentage change in the Employment Cost Index for Compensation for Service Workers is applied to this component. This category was not broken out separately

in the 1993-based home health market basket.

i. Transportation: The percentage change in the price of Transportation as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

j. Insurance: The percentage change in the price of Household Insurance as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

k. Fixed Capital: The percentage change in the price of Owner's Equivalent Rent as measured by the Consumer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

l. Movable Capital: The percentage change in the price of Machinery and Equipment as measured by the Producer Price Index is applied to this component. The same proxy was used for the 1993-based market basket.

As we did in the 1993-based home health market basket, we allocated the Contract Services' share of home health agency expenditures among Wages and Salaries, Employee Benefits, Administrative and General and Other Expenses. This method reflects the distribution of expenditures for contract services as indicated in the Medicare Cost Report.

Table 5 summarizes the proposed 2000-based proxies and compares them to the 1993-based proxies.

TABLE 5.—COMPARISON OF PRICE PROXIES USED IN THE 1993-BASED AND THE PROPOSED 2000-BASED HOME HEALTH MARKET BASKETS

Cost category	1993-based price proxy	2000-based proposed price proxy
Compensation, including allocated contract services' labor:		
Wages and Salaries, including allocated contract services' labor.	Home Health Agency Occupational Wage Index.	Same.
Employee Benefits, including allocated contract services' labor.	Home Health Agency Occupational Benefits Index.	Same.
Operations and Maintenance	CPI-Fuel and Other Utilities	Same.
Adminstrative & General & Other Expenses, including allocated contract services' labor:		
Telephone	CPI–U Telephone	Same.
Postage	CPI–U Postage	Same.
Professional Fees	N/A	ECI for Compensation for Professional and Technical Workers.
Other Products	N/A	CPI–U for All Items Less Food and Energy.
Other Services	DN/A	ECI for Compensation for Service Workers.
Other Administrative and General	CPI Services	N/A.
Paper & Printing	CPI for Household Paper Products & Stationary Supplies.	N/A.
Transportation	CPI Transportation	Same.
Capital-Related:		
Insurance	CPI Household Insurance	Same.
Fixed Capital	CPI Owner's Equivalent Rent	Same.
Movable Capital	PPI Machinery and Equipment	Same.
Other Expenses, including allocated contract services' labor	CPI All Items Less Food and Energy	N/A.
Contract Services	Contained within Wages & Salaries, Employee Benefits, Administrative & General, Other Expenses; see those price proxies.	Contained within Wages & Salaries, Employee Benefits, Administrative & General & Other Expenses; see those price proxies.

4. Rebasing Results

A comparison of the yearly changes from FY 1999 to FY 2002 for the 1993-based home health market basket and the proposed 2000-based home health market basket is shown in Table 6. The average annual increase in the two market baskets is similar, and in no year is the difference as much as 0.1 percentage point.

TABLE 6.—COMPARISON OF THE 1993-BASED HOME HEALTH MARKET BASKET AND THE PROPOSED 2000-BASED HOME HEALTH MARKET BASKET, PERCENT CHANGE, 1999–2002

Fiscal years beginning October 1	Home health market basket, 1993-based	Proposed home health market basket, 2000-based	Difference (proposed 2000-based less 1993-based)
Historical: October 1998, FY 1999	2.8	2.8	0.0
October 1999, FY 2000	3.6	3.5	−0.1
Ocobter 2000, FY 2001	4.2	4.1	−0.1
October 2001, FY 2002	3.6	3.6	0.0
Average Change: 1999–2002	3.6	3.5	−0.1

Source: Global Insight, Inc, 4th Qtr, 2003; @USMACRO/CONTROL1103 @CISSIM/TL1103.SIM.

Section 1895(b)(3)(B) of the Act, as amended by MMA, requires the standard prospective payment amounts to be paid on a calendar year basis for 2004 and any subsequent year. Previous market basket updates were calculated on a fiscal year basis. Table 7 shows that the forecasted rate of growth for CY 2005, beginning January 1, 2005, for the proposed rebased and revised home health market basket is 3.3 percent, while the forecasted rate of growth for the current 1993-based home health market basket is also 3.3 percent. As previously mentioned, we rebase the home health market basket periodically so the cost category weights continue to reflect changes in the mix of goods and services that HHAs purchase in furnishing home health care.

TABLE 7.—FORECASTED ANNUAL PERCENT CHANGE IN THE CURRENT AND PROPOSED REVISED AND REBASED HOME HEALTH MARKET

Calendar year beginning January 1	Home health market basket, 1993-based	Proposed home health market basket, 2000-based	Difference (proposed 2000-based less 1993-based)
January 2005, CY 2005	3.3	3.3	0.0

Source: Global Insight, Inc, 4th Qtr, 2003; @USMACRO/CONTROL1103 @CISSIM/TL1103.SIM.

Table 8 shows the percent changes for CY 2005 for each cost category in the home health market basket.

TABLE 8.—CY 2005 FORECASTED ANNUAL PERCENT CHANGE FOR ALL COST CATEGORIES IN THE PROPOSED 2000-BASED HOME HEALTH MARKET BASKET

Cost categories	Weight	Price proxy	Forecasted annual percent change for CY 2005
Total	100.000		3.3
Compensation	76.775		3.6
Wages and Salaries	65.766	Proposed Home Health Occupational Wage Index.	3.5
Employee Benefits	11.009	Proposed Home Health Occupational Benefits Index.	4.3
Operations & Maintenance	0.825	CPI Fuel & Other Utilities	0.0
Adminsitrative & General & Other Expenses	16.633		2.5
Telephone	0.850	CPI Telephone Services	0.8
Postage	0.563	CPI Postage	3.7
Professional Fees*	1.405	ECI for Compensation for Professional and Technical Workers.	3.7
Other Products*	6.419	CPI All Items Less Food and Energy	1.3
Other Services*	7.396	ECI for Compensation for Service Workers	3.6
Transportation	2.744	CPI Private Transportation	2.2
Capital-Related	3.023		1.8
Insurance	0.275	CPI Household Insurance	3.2
Fixed Capital	1.777	CPI Owner's Equivalent Rent	2.4
Movable Capital	0.971	PPI Machinery & Equipment	0.3

* New break-out in cost structure when compared with the 1993-based home health market basket.
Source: Global Insight, Inc, 4th Qtr, 2003; @USMACRO/CONTROL1103 @CISSIM/TL1103.SIM.

5. Labor-Related Share

In the 1993-based home health market basket the labor-related share was 77.668 percent while the remaining nonlabor-related share was 22.332 percent. In the proposed revised and rebased home health market basket, the labor-related share would be 76.775 percent. The labor-related share includes wages and salaries and employee benefits. The proposed nonlabor-related share would be 23.225 percent. The lower share of labor-related costs in 2000 may reflect in part the changing cost structure associated with the implementation of the prospective payment system for HHAs.

Table 9 details the components of the labor-related share for the 1993-based and proposed 2000-based home health market baskets.

TABLE 9.—LABOR-RELATED SHARE OF CURRENT AND PROPOSED HOME HEALTH MARKET BASKETS

Cost category	1993-based market basket weight	Proposed 2000-based market basket weight
Wages and Salaries	64.226	65.766
Employee Benefits	13.442	11.009
Total Labor Related	77.668	76.775

TABLE 9.—LABOR-RELATED SHARE OF CURRENT AND PROPOSED HOME HEALTH MARKET BASKETS—Continued

Cost category	1993-based market basket weight	Proposed 2000-based market basket weight
Total Non-Labor Related	22.332	23.225

C. Proposed CY 2005 Update to the Home Health Market Basket Index

Section 1895(b)(3)(B) of the Act, as amended by section 701 of the MMA, requires for CY 2005 that the standard prospective payment amounts be increased by a factor equal to the applicable home health market basket increase minus 0.8 percentage point. As previously noted, we are proposing to amend the regulations in § 484.225 to reflect this requirement.

• *Proposed CY 2005 Adjustments*

In calculating the annual update for the CY 2005 60-day episode rates, we are proposing to first look at the CY 2004 rates as a starting point. The CY 2004 national 60-day episode rate, as modified by section 701 of the MMA and implemented through Pub. 100–20 One Time Notification, Transmittal 59 issued February 20, 2004 is $2,213.37.

In order to calculate the CY 2005 national 60-day episode rate, we are proposing to multiply the CY 2004 national 60-day episode rate ($2,213.37) by the applicable home health market basket update of 3.3 percent for CY 2005 minus 0.8 percentage point.

We would increase the CY 2004 60-day episode payment rate by the proposed home health market basket increase (3.3 percent) minus 0.8 percentage point ($2,213.37 x 2.5 percent) to yield the proposed updated CY 2005 national 60-day episode rate ($2,268.70) (see Table 10 below).

TABLE 10.—PROPOSED NATIONAL 60-DAY EPISODE AMOUNTS UPDATED BY THE APPLICABLE HOME HEALTH MARKET BASKET CY 2005, MINUS 0.8 PERCENTAGE POINT, BEFORE CASE-MIX ADJUSTMENT, WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY OR APPLICABLE PAYMENT ADJUSTMENT

Total prospective payment amount per 60-day episode for CY 2004 (as of 04/04/04)	Multiply by the applicable home health market basket increase (3.3 percent) minus 0.8 percentage point	Proposed CY 2005 updated national 60-day episode rate
$2,213.37	× 1.025	$2,268.70

• *National Per-visit Amounts Used to Pay LUPAs and Compute Imputed Costs Used in Outlier Calculations*

As discussed previously in this proposed rule, the policies governing the LUPAs and outlier calculations set forth in the July 3, 2000 HH PPS final rule will continue during CY 2005. In calculating the annual update for the CY 2005 national per-visit amounts we use to pay LUPAs and to compute the imputed costs in outlier calculations, we are proposing to look again at the CY 2004 rates as a starting point. We then are proposing to multiply those amounts by the proposed home health market basket increase minus 0.8 percentage point for CY 2005 to yield the updated per-visit amounts for each home health discipline for CY 2005. (See Table 11 below.)

TABLE 11.—PROPOSED NATIONAL PER-VISIT AMOUNTS FOR LUPAS AND OUTLIER CALCULATIONS UPDATED BY THE APPLICABLE HOME HEALTH MARKET BASKET INCREASE FOR CY 2005, MINUS 0.8 PERCENTAGE POINT, BEFORE WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY

Home health discipline type	Final per-visit amounts per 60-day episode for CY 2004 for LUPAs (as of 04/01/04)	Multiply by the applicable home health market basket (3.3 percent) minus 0.8 percentage point	Proposed per-visit payment amount per discipline for CY 2005 for LUPAs
Home Health Aide	$43.75	× 1.025	$44.84
Medical Social Services	154.89	× 1.025	158.76
Occupational Therapy	106.36	× 1.025	109.02
Physical Therapy	105.65	× 1.025	108.29
Skilled Nursing	96.63	× 1.025	99.05
Speech-Language Pathology	114.80	× 1.025	117.67

D. Proposed Update to the Outlier Fixed Dollar Loss Ratio

Outlier payments are payments made in addition to regular 60-day case-mix and wage-adjusted episode payments for episodes that incur unusually large costs due to patient home health care needs. Outlier payments are made for episodes whose estimated cost exceeds a threshold amount. The episode's estimated cost is the sum of the national wage-adjusted per-visit payment amounts for all visits delivered during the episode. The outlier threshold for each case-mix group, PEP adjustment, or total SCIC adjustment is defined as the 60-day episode payment amount, PEP adjustment, or total SCIC adjustment for that group plus a fixed dollar loss amount. Both components of the outlier threshold are wage-adjusted.

The wage-adjusted fixed dollar loss amount (FDL) represents the amount of loss that an agency must bear before an episode becomes eligible for outlier payments. The FDL is computed by

multiplying the wage-adjusted 60-day episode payment amount by the fixed dollar loss ratio, which is a proportion expressed in terms of the national standardized episode payment amount. The outlier payment is defined to be a proportion of the wage-adjusted estimated costs beyond the wage-adjusted threshold. The proportion of additional costs paid as outlier payments is referred to as the loss-sharing ratio.

Section 1895(b)(5) of the Act requires that estimated total outlier payments are no more than 5 percent of total estimated HH PPS payments. In response to the concerns about potential financial losses that might result from unusually expensive cases expressed in comments to the October 28, 1999 proposed rule (64 FR 58133), the July 2000 final rule set the target for estimated outlier payments at the 5 percent level. The fixed dollar loss ratio and the loss-sharing ratio were then selected so that estimated total outlier payments would meet the 5 percent target.

For a given level of outlier payments, there is a trade-off between the values selected for the fixed dollar loss ratio and the loss-sharing ratio. A high fixed dollar loss ratio reduces the number of episodes that can receive outlier payments, but makes it possible to select a higher loss-sharing ratio and, therefore, increase outlier payments for outlier episodes. Alternatively, a lower fixed dollar loss ratio means that more episodes can qualify for outlier payments, but outlier payments per episode must be lower. As a result of public comments on the October 28, 1999 proposed rule, in our July 2000 final rule, we made the decision to attempt to cover a relatively high proportion of the costs of outlier cases for the most expensive episodes that would qualify for outlier payments within the 5 percent constraint.

We chose a value of 0.80 for the loss-sharing ratio, which is relatively high, but which preserves incentives for agencies to attempt to provide care efficiently for outlier cases. It is also consistent with the loss-sharing ratios used in other Medicare PPS outlier policies. Having made this decision, we estimated the value of the fixed dollar loss ratio that would yield estimated total outlier payments that were 5 percent of total home health PPS payments. The resulting value for the fixed dollar loss ratio was 1.13.

Analysis of 100 percent of CY 2001 home health claims data reflects that outlier episodes represent approximately 3 percent of total episodes and 3 percent of total HH PPS payments. Preliminary analysis of CY 2002 home health claims data indicates no change in that parameter. Therefore, it is appropriate to update the outlier policy based on more recent data than were available when the July 2000 final rule for HH PPS was developed. We are proposing to make no change in the 5 percent target for outlier expenditures as a percent of total HH PPS payments. In addition, we are not proposing to change the loss-sharing ratio of 0.80. Further, section 1895(b)(3)(C) of the Act requires that the episode payment amounts be adjusted to effectively pay for outlier payments within the same level of estimated total spending. We are not proposing to change the adjustment to the episode payment amounts for outlier payments. Therefore, the proposed update would only change the fixed dollar loss ratio, and in turn, the fixed dollar loss amount.

We performed data analysis on CY 2001 HH PPS analytic data to update the fixed dollar loss ratio to enable the total estimated outlier payments to be 5 percent of total HH PPS payments. The results of this analysis indicate that a fixed dollar loss ratio of 0.72 is consistent with the existing loss-sharing ratio of 0.80 and a target percentage of estimated outlier payments of 5 percent. Consequently, we are proposing to update the fixed dollar loss ratio from the current ratio of 1.13 to the fixed dollar loss ratio of 0.72. Reducing the fixed dollar loss ratio from 1.13 to 0.72 would allow approximately 6.5 percent of episodes to qualify for outlier payments. The estimated 6.5 percent outlier episodes is greater than the 3.0 percent of episodes that currently qualify for outlier payments, and is about the same as the 6.8 percent for outlier episodes that we estimated in our July 2000 final rule.

Expressed in terms of a fixed dollar loss amount, the proposed fixed dollar loss ratio of 0.72 implies that providers would absorb approximately $1,633 of their costs (before wage adjustment), in addition to their loss-sharing portion of the estimated cost in excess of the outlier threshold. This fixed dollar loss amount of approximately $1,633 is computed by multiplying the proposed standard 60-day episode payment amount ($2,268.70) by the proposed fixed dollar loss ratio (0.72). Using the current fixed dollar loss ratio (1.13), the fixed dollar loss amount would be approximately $2,564 ($2,268.70 * 1.13). We believe that our proposed fixed dollar loss ratio of 0.72 preserves a reasonable degree of cost sharing, while allowing a greater number of episodes to qualify for outlier payments. In the final rule, following publication of this proposed rule, we plan to update our estimate of the fixed dollar loss ratio using the most current, complete year of HH PPS data available.

The following analytical tables 12(a) through 12(f), derived from analysis of CY 2001 home health claims data, characterize outlier episodes, and depict the differences between outlier and non-outlier episodes with regards to home health resource groups (HHRGs) and visit disciplines. Tables 12(a) through 12(f) illustrate various characteristics of outlier episodes. Outlier episodes are more likely to be of a higher clinical severity than are non-outlier episodes. Functional status levels are, however, very similar across all types of episodes. Our analysis further shows that outlier episodes are less likely to be high in therapy use than non-outlier episodes. In addition, the top high volume HHRGs seen in outlier episodes are also seen as high volume HHRGs in non-outlier episodes. Finally, our analysis also shows that skilled nursing visits are highly prevalent in outlier episodes. This analysis excludes LUPAs, as those episodes inherently do not involve the use of HHRGs and hence are not paid based on HHRGs. In the final rule, we will confirm all data analysis based on 100 percent home health claims for CY 2002 and available preliminary CY 2003 home health claims data.

TABLE 12–a.—SEVERITY LEVEL COMPARISON OF HHRG'S CLINICAL DOMAIN IN OUTLIER & NON-OUTLIER EPISODES

Clinical domain severity level	Percentage of outlier episodes	Percentage of non-outlier episodes
C1	9	20
C2	19	33
C3*	52	36
C4*	20	11

*Outlier episodes are more likely to be of a higher clinical severity level than are non-outlier episodes.

TABLE 12–b.—SEVERITY LEVEL COMPARISON OF HHRG'S FUNCTIONAL DOMAIN IN OUTLIER AND NON-OUTLIER EPISODES

Functional domain severity level	Percentage of outlier episodes	Percentage of non-outlier episodes
F0	6	7
F1	22	25
F2	47	43
F3	13	13
F4	12	12

Note: Functional status levels are similar for both outlier and non-outlier episodes.

TABLE 12–c.—HIGH-THERAPY EPISODE COMPARISON IN OUTLIER AND NON-OUTLIER EPISODES

Type of episode	Percentage of outlier episodes	Percentage of non-outlier episodes
Episodes with 10 or more therapy visits	11*	24
All Other Episodes	89	76

*Outlier episodes are less likely to be episodes with high therapy use (at least 10 therapy visits) than are non-outlier episodes.

TABLE 12–d.—TOP 10 HHRG COMPARISON IN OUTLIER AND NON-OUTLIER EPISODES

HHRG (weight)	Outlier rank	Percentage of outlier episodes	Non-outlier rank	Percentage of non-outlier episodes
C2F2S0	1	20.3	2	10.7
C2F1S0	2	12.4	6	5.1
C1F2S0	3	6.1	1	11.3
C3F2S0	4	5.8	13	2.4
C1F1S0	5	5.3	3	6.4
C3F4S0	6	5.0	8	3.9
C2F3S0	7	4.8	11	3.2
C2F4S0	8	3.8	10	3.5
C3F0S0	9	3.6	23	1.3
C3F3S0	10	3.3	20	1.4
C0F2S0	11	3.1	4	6.0
C0F1S0	12	2.6	5	5.7
C2F2S1	15	1.7	7	4.1
C1F2S2	18	1.0	9	3.7
Top 10 HHRGs, Outlier Episodes	.....	70.4	.....	.....
Top 10 HHRGs, Non-Outlier Episodes	.....	.....	.....	60.4

Note: Except for two HHRGs (C3F0S0 & C3F3S0), the top 10 HHRGs that occur in outlier episodes are also within the top 13 HHRGs in non-outlier episodes.

TABLE 12–e.—PERCENTAGES OF VISIT TYPES IN OUTLIER AND NON-OUTLIER EPISODES

Home health visits	Outlier episodes	Non-outlier episodes
Average Total Visits	84.5	19.7
Percentage of Total Visits:		
Skilled Nursing Visits [1]	75.3	45.1
Home Health Aide Visits	18.6	26.3
Physical Therapy Visits [2]	3.8	22.8
Occupational Therapy Visits [2]	1.4	4.0
Speech Therapy Visits [2]	0.5	0.8
Medical Social Visits	0.4	1.0

[1] Skilled nursing visits make up a significantly greater percentage of total visits in outlier episodes than in non-outlier episodes.
[2] Therapy visits are a substantially smaller percentage of total visits in outlier episodes than in non-outlier episodes.

TABLE 12–f.—PROBABILITY OF AT LEAST 1 OCCURRENCE OF A PARTICULAR TYPE OF VISIT IN AN EPISODE FOR OUTLIER AND NON-OUTLIER EPISODES

Home health visits	Outlier episodes (percent)	Non-outlier episodes (percent)
Probability of at least 1 service occurring:		
Skilled Nursing Visits [1]	99.8	89.3
Home Health Aide Visits [2]	44.6	35.6
Physical Therapy (PT) Visits [3]	27.9	48.6
Occupational Therapy (OT) Visits	11.6	14.4
Speech Therapy Visits	3.4	2.7
Medical Social Visits	16.4	12.5

TABLE 12–f.—PROBABILITY OF AT LEAST 1 OCCURRENCE OF A PARTICULAR TYPE OF VISIT IN AN EPISODE FOR OUTLIER AND NON-OUTLIER EPISODES—Continued

Home health visits	Outlier episodes (percent)	Non-outlier episodes (percent)
Any Therapy (PT, OT, Speech)	29.4	50.4

[1] Skilled nursing visits are almost always present in outlier episodes.
[2] Home health aide visits occur in slightly less than 50 percent of outlier episodes.
[3] Physical Therapy is less likely to occur in an outlier episode than in a non-outlier episode.

E. Rural Add-On as Required by the MMA

As discussed in section I.D. of this preamble, section 421 of the MMA requires, for home health services furnished in a rural area with respect to episodes and visits ending on or after April 1, 2004 and before April 1, 2005, that we increase by 5 percent the payment amount that otherwise would be made for these services. The statute waives budget neutrality related to this provision. By statute, the 5 percent rural add-on applies to home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act) for episodes and visits ending on or after April 1, 2004 and before April 1, 2005. Therefore, the 5 percent rural add-on ends after the first quarter of CY 2005 for episodes and visits ending before April 1, 2005. After the rural add-on is determined, the applicable case-mix and wage index adjustment is then subsequently applied for the provision of home health services where the site of service is the non-Metropolitan Statistical Area (MSA) of the beneficiary. Similarly, the applicable wage index adjustment is subsequently applied to the LUPA per visit amounts adjusted for the provision of home health services where the site of service for the beneficiary is a non-MSA area. We implemented this provision for CY 2004 on April 1, 2004 through Pub. 100–20 One Time Notification, Transmittal 59 issued February 20, 2004. The CY 2005 5 percent rural add-on is noted in tables below.

TABLE 13.—PROPOSED CY 2005 RURAL ADD-ON TO 60-DAY EPISODE PAYMENT AMOUNTS ENDING ON OR AFTER APRIL 1, 2004 AND BEFORE APRIL 1, 2005 FOR BENEFICIARIES WHO RESIDE IN A NON-MSA AREA BEFORE CASE-MIX ADJUSTMENT, WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY OR APPLICABLE PAYMENT ADJUSTMENT

Proposed total prospective payment amount per 60-day episode for CY 2005	5 percent rural add-on	Proposed CY 2005 final payment amount per 60-day episode ending before April 1, 2005 for a beneficiary who resides in a non-MSA area
$2,268.70	× 1.05	$2,382.14

TABLE 14.—PROPOSED CY 2005 ADD-ON TO LUPA PER-VISIT AMOUNTS FOR VISITS ENDING ON OR AFTER APRIL 1, 2004 AND BEFORE APRIL 1, 2005, BEFORE WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE OF THE BENEFICIARY WHO RESIDES IN A NON-MSA AREA OR PAYMENT APPLICABLE ADJUSTMENT

Home health discipline type	Proposed per-visit payment amounts per 60-day episode for CY 2005 for LUPAs	5 percent rural add-on	Proposed CY 2005 per-visit payment amounts per 60-day episode ending before April 1, 2005 for LUPAs for a beneficiary who resides in a non-MSA area
Home Health Aide	$44.84	× 1.05	$47.08
Medical Social Services	158.76	× 1.05	166.70
Occupational Therapy	109.02	× 1.05	114.47
Physical Therapy	108.29	× 1.05	113.70
Skilled Nursing	99.05	× 1.05	104.00
Speech-Language Pathology	117.67	× 1.05	123.55

F. Hospital Wage Index

Sections 1895(b)(4)(A)(ii) and (b)(4)(C) of the Act require the Secretary to establish area wage adjustment factors that reflect the relative level of wages and wage-related costs applicable to the furnishing of home health services and to provide appropriate adjustments to the episode payment amounts under HH PPS to account for area wage differences. We apply the appropriate wage index value to the labor portion of the HH PPS rates based on the geographic area in which the beneficiary received home health services. We determine each HHA's labor market area based on definitions of Metropolitan Statistical Areas (MSAs) issued by the Office of Management and Budget (OMB). We recognize that on June 6, 2003, the Office of Management and Budget (OMB) issued OMB Bulletin No. 03–04, announcing revised definitions of Metropolitan Statistical Areas, and new definitions of Micropolitan Statistical Areas, and Combined Statistical Areas. A copy of the Bulletin

may be obtained at the following Internet address: *http://www.whitehouse.gov/omb/bulletins/b03–04.html*. These new definitions will not be applied to the CY 2005 wage index used in this proposed update to the HH payment rates.

On May 18, 2004, we published a proposed rule entitled ''Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and FY 2005 Rates'' (69 FR 28195), which discusses some of the issues associated with using these new definitions and proposes to use these new definitions for the Inpatient Hospital PPS for FY 2005. We believe it is appropriate to wait until the public comments on that proposed rule have been submitted and analyzed before we consider proposing any new labor market definitions in the home health context.

As discussed previously and set forth in the July 3, 2000 final rule, the statute provides that the wage adjustment factors may be the factors used by the Secretary for purposes of section 1886(d)(3)(E) of the Act for hospital wage adjustment factors. Again, as discussed in the July 3, 2000 final rule, we are proposing to use the pre-floor and pre-reclassified hospital wage index to adjust the labor portion of the HH PPS rates based on the geographic area in which the beneficiary receives the home health services. We believe the use of the pre-floor and pre-reclassified hospital wage index results in the appropriate adjustment to the labor portion of the costs as required by statute. For this update to the CY 2005 home health payment rates, we propose to continue to use the most recent pre-floor and pre-reclassified hospital wage index available at the time of the final rule. Due to the mandated change from a fiscal year update cycle to that of a calendar year update cycle, the most recent pre-floor and pre-reclassified hospital wage index available for this update of the CY 2005 home health payment rates will be that of the 2005 pre-floor/pre-reclassified hospital wage index.

Under previous fiscal year updates, the most recent pre-floor and pre-reclassified hospital wage index available at the time of publication of the HH PPS fiscal year update was that of the previous year. Beginning with the CY 2005 update to home health payment rates, the most recent pre-floor and pre-reclassified hospital wage index available at the time of publication will be that of the current year. Consequently, for our proposed CY 2005 update to the home health payment rates, we propose to continue to use the most recent pre-floor and pre-reclassified hospital wage index available at the time of publication. We recognize that this change to a calendar year update cycle results in using the current year's wage index values. See addenda A and B of this proposed rule, respectively, for the proposed rural and urban hospital wage indexes. Furthermore, we have added an addendum C that shows a side-by-side comparison of the FY 2003 pre-floor and pre-reclassified hospital wage index and proposed CY 2005 pre-floor and pre-reclassified hospital wage index for the CY 2005 HH PPS update proposed rule. For HH PPS rates addressed in this proposed rule, we are using a preliminary 2005 pre-floor and pre-reclassified hospital wage index. We will incorporate updated wage data for the 2005 pre-floor and pre-reclassified hospital wage index in the final rule for the CY 2005 HH PPS update.

III. Collection of Information Requirements

(If you choose to comment on issues in this section, please include the caption ''COLLECTION OF INFORMATION REQUIREMENTS'' at the beginning of your comments.)

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 (44 U.S.C. 3501 *et seq.*).

IV. Response to Comments

Because of the large number of items of correspondence we normally receive on **Federal Register** documents published for comment, we are not able to acknowledge or respond to them individually. We will consider all comments we receive by the date and time specified in the **DATES** section of the preamble, and, when we proceed with a subsequent document, we will respond to the comments in the preamble to that document.

V. Regulatory Impact Analysis

(If you choose to comment on issues in this section, please include the caption ''REGULATORY IMPACT ANALYSIS'' at the beginning of your comments.)

A. Overall Impact

We have examined the impacts of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (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.

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). The update set forth in this proposed rule would apply to Medicare payments under HH PPS in CY 2005. Accordingly, the following analysis describes the impact in CY 2005 only. We estimate that there would be an additional $270 million in CY 2005 expenditures attributable to the CY 2005 proposed market basket (3.3 percent), minus 0.8 percentage point, an estimated increase of 2.5 percent.

Section 421 of the MMA provides for a 5 percent increase in home health payments to rural providers for episodes and visits ending after April 1, 2004 and before April 1, 2005. This increase is not subject to budget neutrality. Consequently, this increase in payments to rural providers will result in an estimated increase in expenditures of $20 million in FY 2004 and $100 million in FY 2005.

Section 701 of the MMA includes a provision that changes the update cycle for HH PPS, and thus the home health market basket update, from a fiscal year basis to that of a calendar year basis in 2004. This results in a projected reduction in expenditures of approximately $90 million in FY 2005.

The RFA requires agencies to analyze options for regulatory relief of small businesses. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and government agencies. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $6 million to $29 million or less annually (for details, see the Small Business Administration's regulation that set forth size standards for health care industries at 65 FR 69432). For purposes of the RFA, approximately 75 percent of HHAs are considered small businesses according to the Small Business Administration's size standards with total revenues of $11.5 million or less in 1 year. Individuals and States are not included in the definition of a small

entity. As stated above, this proposed rule would provide an update to all HHAs for CY 2005 as required by statute. This proposed rule would have a significant positive effect upon small entities.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 603 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. We have determined that this proposed rule would not have a significant economic impact on the operations of a substantial number of small rural hospitals.

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 expenditure in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of $110 million. We believe this proposed rule would not mandate expenditures in that amount.

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. We have reviewed this rule under the threshold criteria of Executive Order 13132, Federalism. We have determined that this proposed rule would not have substantial direct effects on the rights, roles, and responsibilities of States.

B. Anticipated Effects

In accordance with the requirements of section 1895(b)(3) of the Act, we publish an update for each subsequent fiscal year that will provide an update to the payment rates. Section 1895(b)(3)(B) of the Act, as amended by section 701 of the MMA, requires us, for CY 2005, to increase the prospective payment amounts by the applicable home health market basket increase minus 0.8 percentage point. We estimate that with a proposed home health market basket of 3.3 percent minus 0.8 percentage point, the estimated proposed increase for CY 2005 is 2.5 percent.

1. Effects on the Medicare Program

This proposed rule would merely provide a percentage update to all Medicare HHAs. Therefore, we have not furnished any impact tables. We would increase the payment to each Medicare HHA equally by the home health market basket update for CY 2005, minus 0.8 percentage point, as required by statute. There is no differential impact among provider types. The impact is in the aggregate. We can show the impact that the proposed CY 2005 wage index would have on providers. Addendum C shows a side-by-side comparison of the FY 2003 pre-floor and pre-reclassified hospital wage index and the proposed CY 2005 pre-floor and pre-reclassified hospital wage index for the CY 2005 HH PPS update proposed rule. We estimate that there would be an additional $270 million in CY 2005 expenditures attributable to the CY 2005 proposed market basket (3.3 percent), minus 0.8 percentage point, estimated increase resulting in 2.5 percent. Thus, the anticipated expenditures outlined in this proposed rule would exceed the $100 million annual threshold for a major rule as defined in Title 5, USC, section 804(2).

We estimate that the applicable home health market basket (minus 0.8 percentage point) increase of 2.5 percent for CY 2005 applies to all Medicare-participating HHAs. We do not believe there is a differential impact due to the aggregate nature of the update.

TABLE 15

CY 2005 update to home health PPS rates required by the act	Additional CY 2005 Medicare home health estimated expenditures due to annual update required by law
Section 1895(b)(3)(B) of the Act requires HH PPS rates increased by applicable home health market basket increase (3.3 percent) minus 0.8 percentage point, yielding 2.5 percent	[1] $270

Source: President's FY 2004 Budget.
[1] In millions.

2. Effects on Providers

This proposed rule would have a positive effect on providers of Medicare home health services by increasing their rate of Medicare payment. We do not anticipate specific effects on other providers. This proposed rule would reflect the statutorily required annual update to the HH PPS rates. We do not believe there is a differential impact due to the consistent and aggregate nature of the update.

C. Alternatives Considered

As discussed in section II, this proposed rule reflects an annual update to the HH PPS rates as required by statute. We believe that the statute provides no latitude for alternatives other than the approach set forth in this proposed rule reflecting the CY 2005 proposed annual update to the HH PPS rates. Other than the positive effect of the market basket increase, this proposed rule would not have a significant economic impact nor would it impose an additional burden on small entities. When a regulation or notice imposes additional burden on small entities, we are required under the RFA to examine alternatives for reducing burden.

As discussed in the ''Rebasing and Revising the Home Health Market Basket'' section of this proposed rule, we believe that it is desirable to rebase the home health market basket periodically. Consequently, as part of this proposed rule, we are proposing to rebase and revise the home health market basket by moving the base year from FY 1993 to FY 2000 to reflect the latest available, thorough data on the structure of HHA costs. CMS periodically rebases and revises market baskets for multiple types of health care providers, generally on a 5-year cycle. We continue to believe that by rebasing and revising the home health market basket periodically, cost category weights will better reflect changes in the mix of goods and services that HHAs purchase in furnishing home health

care. The alternative to not rebase and revise the market basket would be to delay the inevitable task of rebasing and revising the home health market basket to some later date. For this proposed rule, the forecasted rate of growth for CY 2005 for both the proposed rebased and revised home health market basket and the current 1993-based home health market basket is 3.3 percent (see Table 7 of this proposed rule). However, it should be noted that while for this proposed rule the home health market basket percentage is the same for both the 1993-based and the proposed 2000-based rate of growth, that future updates will be better served by using a more up-to-date cost structure, as proposed in the revised and rebased home health market basket.

Section 1895(b)(5) of the Act states that the total amount of payments for outliers, under HH PPS, may not exceed 5 percent of the total payments projected or estimated to be made for a given fiscal year or years. As discussed in the ''Proposed Update to the Outlier Fixed Dollar Loss Ratio'' section of this proposed rule, we are proposing to reduce the fixed dollar loss ratio used in the formula to determine outlier cases in HH PPS, from that of 1.13 to 0.72. Analysis indicates that a fixed dollar loss ratio of 0.72 is consistent with the existing loss-sharing ratio of 0.80 and our target percentage of estimated outlier payments of 5 percent of total home health payments. Other alternatives considered in the updating of the formula for determining outlier cases included updating/changing the loss-sharing ratio from that of 0.80 as well as changing the outlier payment target of to less than 5 percent of total home health payments. We believe that a value of 0.80 for the loss-sharing ratio is appropriate in that it preserves incentives for agencies to provide care efficiently for outlier cases. Similarly, we continue to believe that the total outlier payment target of 5 percent of total home health payments appropriately targets the most costly cases under HH PPS.

D. Conclusion

We have examined the economic impact of this proposed rule on small entities and have determined that the economic impact is positive, significant, and that all HHAs would be affected. To the extent that small rural hospitals are affiliated with HHAs, the impact on these facilities would also be positive. Finally, we have determined that the economic effects described above are largely the result of the specific statutory provisions, which this proposed rule serves to announce.

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

List of Subjects in 42 CFR Part 484

Health facilities, Health professions, Medicare, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 42 CFR chapter IV is proposed to be amended as set forth below:

PART 484—HOME HEALTH SERVICES

1. The authority citation for part 484 continues to read as follows:

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

2. Section 484.225 is amended as follows:

A. Paragraph (d) is redesignated as paragraph (g) and is revised.

B. New paragraph (d) is added.

C. New paragraph (e) is added.

D. New paragraph (f) is added.

The revisions and additions read as follows: *§ 484.225 Annual update of the unadjusted national prospective 60-day episode payment rate.*

* * * * *

(d) For the last calendar quarter of 2003 and the first calendar quarter of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket index amount.

(e) For the last 3 calendar quarters of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket minus 0.8 percentage point.

(f) For each calendar year of 2005 and 2006, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous calendar year, increased by the applicable home health market basket minus 0.8 percentage point.

(g) For 2007 and subsequent calendar years, the unadjusted national rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount.

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

Dated: November 5, 2003.

Thomas A. Scully,

Administrator, Centers for Medicare & Medicaid Services.

Dated: April 23, 2004.

Tommy G. Thompson,

Secretary.

Note: The following addenda will not be published in the Code of Federal Regulations.

ADDENDUM A.—PROPOSED WAGE INDEX FOR RURAL AREAS—APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX

[CY 2005]

MSA name	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	0.9611
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
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	0.7195
WASHINGTON	1.0388
WEST VIRGINIA	0.8018
WISCONSIN	0.9304

ADDENDUM A.—PROPOSED WAGE INDEX FOR RURAL AREAS—APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

[CY 2005]

MSA name	Wage index
WYOMING	0.9110

[1] All counties within State are classified as Urban.

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX

MSA	Urban area (constituent counties)	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, Potter, TX	0.8986
	Randall, TX	
0380 ..	Anchorage, AK	1.2216
	Anchorage, AK	
0440 ..	Ann Arbor, MI	1.1074
	Lenawee, MI	
	Livingston, MI	
	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	
	DeKalb, 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-Cape May, NJ	1.0795
	Atlantic, NJ	
	Cape May, NJ	
0580 ..	Auburn-Opelka, AL	0.8494
	Lee, AL	
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 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	
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	
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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
	Cayey, PR	
	Cidra, PR	
	Gurabo, PR	
	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	
	Stanley, 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	
	Walker, GA	
	Hamilton, TN	
	Marion, TN	
1580 ..	Cheyenne, WY	0.8796
	Laramie, WY	
1600 ..	Chicago, IL	1.0892
	Cook, IL	
	DeKalb, IL	
	DuPage, 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	
	Cuyahoga, OH	
	Geauga, 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	
	Chattahoochee, 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	
	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 ..	Dacatur, AL	0.8828
	Lawrence, AL	
	Morgan, AL	
2040 ..	Dacatur, 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	
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	
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

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
	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
	Martin, FL	
	St. Lucie, FL	
2720 ..	Fort Smith, AR-OK	0.8424
	Crawford, AR	
	Sebastian, AR	
	Sequoyah, OK	
2750 ..	Fort Walton Beach, FL	0.8966
	Okaloosa, FL	
2760 ..	Fort Wayne, IN	0.9585
	Adams, IN	
	Allen, IN	
	De Kalb, IN	
	Huntington, IN	
	Wells, IN	
	Whitley, IN	
2800 ..	Forth Worth-Arlington, TX	0.9359
	Hood, TX	
	Johnson, TX	
	Parker, TX	
	Tarrant, TX	
2840 ..	Fresno, CA	1.0142
	Fresno, CA	
	Madera, CA	
2880 ..	Gadsden, AL	0.8206
	Etowah, AL	
2900 ..	Gainesville, FL	0.9693
	Alachua, FL	
2920 ..	Galveston-Texas City, TX	0.9279
	Galveston, TX	
2960 ..	Gary, IN	0.9410
	Lake, IN	
	Porter, IN	
2975 ..	Glens Falls, NY	0.8475
	Warren, NY	
	Washington, NY	
2980 ..	Goldsboro, NC	0.8622
	Wayne, NC	
2985 ..	Grand Forks, ND–MN	0.8636
	Polk, MN	
	Grand Forks, ND	
2995 ..	Grand Junction, CO	0.9633
	Mesa, CO	
3000 ..	Grand Rapids-Muskegon-Holland, MI.	0.9469
	Allegan, MI	
	Kent, MI	
	Muskegon, MI	
	Ottawa, MI	
3040 ..	Great Falls, MT	0.8809
	Cascade, MT	
3060 ..	Greeley, CO	0.9372
	Weld, CO	
3080 ..	Green Bay, WI	0.9461
	Brown, WI	
3120 ..	Greensboro-Winston-Salem-High Point, NC.	0.9166
	Alamance, NC	
	Davidson, NC	
	Davie, NC	
	Forsyth, NC	
	Guilford, NC	
	Randolph, NC	
	Stokes, NC	
	Yadin, NC	
3150 ..	Greenville, NC	0.9098
	Pitt, NC	
3160 ..	Greenville, Spartanburg-Anderson, SC.	0.9335
	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	
	Catawaba, NC	
3320 ..	Honolulu, HI	1.1098
	Honolulu, HI	
3350 ..	Houma, LA	0.7771
	Lafourche, LA	
	Terrebonne, LA	
3360 ..	Houston, TX	0.9834
	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	
	Grenup, 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	
	Hancoock, 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
	Madison, TN	
	Chester, TN	
3600 ..	Jacksonville, FL	10.9529
	Clay, FL	
	Duval, FL	
	Nassau, FL	
	St. Johns, FL	
3605 ..	Jacksonville, NC	0.8544
	Onslow, NC	
3610 ..	Jamestown, NY	0.7762
	Chautauqua, 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-Battlecreek, MI	1.0500
	Calhoun, MI	
	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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
	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
	Acadia, LA	
	Lafayette, LA	
	St. Landry, LA	
	St. Martin, LA	
3920 ..	Lafayette, IN	0.9036
	Clinton, IN	
	Tippecanoe, IN	
3960 ..	Lake Charles, LA	0.7841
	Calcasieu, LA	
3980 ..	Lakeland-Winter Haven, FL.	0.8811
	Polk, FL	
4000 ..	Lancaster, PA	0.9282
	Lancaster, PA	
4040 ..	Lansing-East Lansing, MI	0.9714
	Clinton, MI	
	Eaton, MI	
	Ingham, MI	
4080 ..	Laredo, TX	0.8091
	Webb, TX	
4100 ..	Las Cruces, NM	0.8688
	Dona Ana, NM	
4120 ..	Las Vegas, NV–AZ	1.1528
	Mohave, AZ	
	Clark, NV	
	Nye, NV	
4150 ..	Lawrence, KS	0.8074
	Douglas, KS	
4200 ..	Lawton, OK	0.8267
	Comanche, OK	
4243 ..	Lewiston-Auburn, ME	0.9383
	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
	Lubbock, TX	
4640 ..	Lynchburg, VA	0.9134
	Amherst, VA	
	Bedford, VA	
	Bedford City, 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
	Crittenden, AR	
	DeSoto, 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
	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	
	New Haven, CT	
5523 ..	New London-Norwich, CT....	1.1631
	New London, CT	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
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	
	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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
5945 ..	Orange County, CA	1.1372
	Orange, CA	
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	
	Mongtomery, 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
	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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
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	
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	
	Colonia Heights City, VA	
	Dinwiddie, VA	
	Goochland, VA	
	Hanover, VA	
	Henrico, VA	
	Hopewell City, VA	
	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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
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	
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	0.8056
	Andrew, 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	
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	
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	
	Toa Alta, PR	
	Toa Baja, PR	
	Trujillo Alto, PR	
	Vega Alta, PR	
	Vega Baja, PR	
	Yabucoa, PR	
7460 ..	San Luis Obispo-Atascadero-Paso.	1.1429
	Robles, CA	
	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	
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	
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	
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	

ADDENDUM B.—PROPOSED CY 2005 WAGE INDEX FOR URBAN AREAS—PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

MSA	Urban area (constituent counties)	Wage index
	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	
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	
	Culpeper, 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	
9000 ..	Wheeling, WV–OH	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	
9340 ..	Yuba City, CA	1.0196
	Sutter, CA	
	Yuba, CA	
9360 ..	Yuma, AZ	0.8895
	Yuma, AZ	

ADDENDUM C.—COMPARISON OF PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR FY 2003 AND PROPOSED CY 2005

Rural area	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
ALABAMA	0.766	0.7492	−2.19
ALASKA	1.2293	1.1886	−3.31
ARIZONA	0.8493	0.9270	9.15
ARKANSAS	0.7666	0.7734	0.89
CALIFORNIA	0.9840	0.9967	1.29
COLORADO	0.9015	0.9328	3.47
CONNECTICUT	1.2394	1.2183	−1.70
DELAWARE	0.9128	0.9557	4.70
FLORIDA	0.8814	0.8855	0.47
GEORGIA	0.8230	0.8369	1.69
GUAM	0.9611	0.9611	
HAWAII	1.0255	0.9958	−2.90
IDAHO	0.8747	0.8974	2.60
ILLINOIS	0.8204	0.8254	0.61
INDIANA	0.8755	0.8824	0.79
IOWA	0.8315	0.8416	1.21
KANSAS	0.7923	0.8074	1.91
KENTUCKY	0.8079	0.7973	−1.31
LOUISIANA	0.7567	0.7451	−1.53
MAINE	0.8874	0.8812	−0.70
MARYLAND	0.8946	0.9125	2.00
MASSACHUSETTS	1.1288	1.0432	−7.58
MICHIGAN	0.9000	0.8877	−1.37
MINNESOTA	0.9151	0.9330	1.96
MISSISSIPPI	0.7680	0.7778	1.28

ADDENDUM C.—COMPARISON OF PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR FY 2003 AND PROPOSED CY 2005—Continued

Rural area	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
MISSOURI	0.8021	0.8056	0.44
MONTANA	0.8481	0.8800	3.76
NEBRASKA	0.8204	0.8822	7.53
NEVADA	0.9577	0.9806	2.39
NEW HAMPSHIRE	0.9796	1.0030	2.39
NEW JERSEY	.....	.....	.....
NEW MEXICO	0.8872	0.8270	−6.79
NEW YORK	0.8542	0.8526	−0.19
NORTH CAROLINA	0.8666	0.8456	−2.42
NORTH DAKOTA	0.7788	0.7778	−0.13
OHIO	0.8613	0.8820	2.40
OKLAHOMA	0.7590	0.7537	−0.70
OREGON	1.0303	0.9994	−3.00
PENNSYLVANIA	0.8462	0.8378	−0.99
PUERTO RICO	0.4356	0.4018	−7.76
RHODE ISLAND	.....	.....	.....
SOUTH CAROLINA	0.8607	0.8498	−1.27
SOUTH DAKOTA	0.7815	0.8195	4.86
TENNESSEE	0.7877	0.7886	0.11
TEXAS	0.7821	0.7780	−0.52
UTAH	0.9312	0.8974	−3.63
VERMONT	0.9345	0.9307	−0.41
VIRGINIA	0.8504	0.8498	−0.07
VIRGIN ISLANDS	0.7845	0.7195	−8.29
WASHINGTON	1.0179	1.0388	2.05
WEST VIRGINIA	0.7975	0.8018	0.54
WISCONSIN	0.9162	0.9304	1.55
WYOMING	0.9007	0.9110	1.14

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
0040	0.7792	0.7627	−2.12
0060	0.4587	0.4306	−6.13
0080	0.9600	0.9246	−3.69
0120	1.0594	1.0863	2.54
0160	0.8384	0.8489	1.25
0200	0.9315	0.9300	−0.16
0220	0.7859	0.8019	2.04
0240	0.9735	0.9721	−0.14
0280	0.9225	0.8806	−4.54
0320	0.9034	0.8986	−0.53
0380	1.2358	1.2216	−1.15
0440	1.1103	1.1074	−0.26
0450	0.8044	0.8090	0.57
0460	0.8997	0.9035	0.42
0470	0.4337	0.4155	−4.20
0480	0.9876	0.9720	−1.58
0500	1.0211	0.9818	−3.85
0520	0.9991	1.0130	1.39
0560	1.1017	1.0795	−2.02
0580	0.8325	0.8494	2.03
0600	1.0264	0.9625	−6.23
0640	0.9637	0.9609	−0.29
0680	0.9899	0.9810	−0.90
0720	0.9929	0.9919	−0.10
0733	0.9664	0.9904	2.48
0743	1.3202	1.2956	−1.86
0760	0.8294	0.8406	1.35
0840	0.8324	0.8424	1.20
0860	1.2282	1.1757	−4.27
0870	0.9042	0.8935	−1.18
0875	1.2150	1.1692	−3.77

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
0880	0.9022	0.8961	−0.68
0920	0.8757	0.9029	3.11
0960	0.8341	0.8428	1.04
1000	0.9222	0.9212	−0.11
1010	0.7972	0.7965	−0.09
1020	0.8907	0.8662	−2.75
1040	0.9109	0.8832	−3.04
1080	0.9310	0.9209	−1.08
1123	1.1235	1.1233	−0.02
1125	0.9689	1.0049	3.72
1145	0.8535	0.8137	−4.66
1150	1.0944	1.0580	−3.33
1240	0.8880	1.0303	16.02
1260	0.8821	0.9019	2.24
1280	0.9365	0.9604	2.55
1303	1.0052	0.9704	−3.46
1310	0.4371	0.4158	−4.87
1320	0.8932	0.9071	1.56
1350	0.9690	0.9095	−6.14
1360	0.9056	0.8874	−2.01
1400	1.0635	0.9907	−6.85
1440	0.9235	0.9332	1.05
1480	0.8898	0.8880	−0.20
1520	0.9850	0.9730	−1.22
1540	1.0438	1.0025	−3.96
1560	0.8976	0.9086	1.23
1580	0.8628	0.8796	1.95
1600	1.1044	1.0892	−1.38
1620	0.9745	1.0193	4.60
1640	0.9381	0.9413	0.34
1660	0.8406	0.8244	−1.93
1680	0.9670	0.9671	0.01
1720	0.9916	0.9833	−0.84
1740	0.8496	0.8695	2.34
1760	0.9307	0.8902	−4.35
1800	0.8374	0.8694	3.82
1840	0.9751	0.9648	−1.06
1880	0.8729	0.8521	−2.38
1890	1.1453	1.1516	0.55
1900	0.7847	0.8200	4.50
1920	0.9998	0.9974	−0.24
1950	0.8859	0.9035	1.99
1960	0.8835	0.8985	1.70
2000	0.9282	0.9518	2.54
2020	0.9062	0.9060	−0.02
2030	0.8973	0.8828	−1.62
2040	0.8055	0.8161	1.32
2080	1.0601	1.0837	2.23
2120	0.8791	0.9106	3.58
2160	1.0448	1.0101	−3.32
2180	0.8137	0.7741	−4.87
2190	0.9356	0.9805	4.80
2200	0.8795	0.8886	1.03
2240	1.0368	1.0171	−1.90
2281	1.0684	1.0934	2.34
2290	0.8952	0.9064	1.25
2320	0.9265	0.9196	−0.74
2330	0.9722	0.9783	0.63
2335	0.8416	0.8377	−0.46
2340	0.8376	0.8559	2.18
2360	0.8925	0.8601	−3.63
2400	1.0944	1.1456	4.68
2440	0.8177	0.8429	3.08
2520	0.9684	0.9797	1.17
2560	0.8889	0.8986	1.09
2580	0.8100	0.8396	3.65
2620	1.0682	1.1333	6.09
2640	1.1135	1.0858	−2.49
2650	0.7792	0.7747	−0.58
2655	0.8780	0.8709	−0.81

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
2670	1.0066	1.0108	0.42
2680	1.0297	1.0163	−1.30
2700	0.9680	0.9816	1.40
2710	0.9823	1.0008	1.88
2720	0.7895	0.8424	6.70
2750	0.9693	0.8966	−7.50
2760	0.9457	0.9585	1.35
2800	0.9446	0.9359	−0.92
2840	1.0216	1.0142	−0.72
2880	0.8505	0.8206	−3.52
2900	0.9871	0.9693	−1.80
2920	0.9465	0.9279	−1.97
2960	0.9584	0.9410	−1.82
2975	0.8281	0.8475	2.34
2980	0.8892	0.8622	−3.04
2985	0.8897	0.8636	−2.93
2995	0.9456	0.9633	1.87
3000	0.9525	0.9469	−0.59
3040	0.8950	0.8809	−1.58
3060	0.9237	0.9372	1.46
3080	0.9502	0.9461	−0.43
3120	0.9282	0.9166	−1.25
3150	0.9100	0.9098	−0.02
3160	0.9122	0.9335	2.34
3180	0.9268	0.9172	−1.04
3200	0.9418	0.9214	−2.17
3240	0.9223	0.9164	−0.64
3283	1.1549	1.1555	0.05
3285	0.7659	0.7307	−4.60
3290	0.9028	0.9242	2.37
3320	1.1457	1.1098	−3.13
3350	0.8385	0.7771	−7.32
3360	0.9892	0.9834	−0.59
3400	0.9636	0.9595	−0.43
3440	0.8903	0.9245	3.84
3480	0.9717	0.9916	2.05
3500	0.9587	0.9548	−0.41
3520	0.9532	0.8986	−5.73
3560	0.8607	0.8357	−2.90
3580	0.9275	0.8984	−3.14
3600	0.9381	0.9529	1.58
3605	0.8239	0.8544	3.70
3610	0.7976	0.7762	−2.68
3620	0.9849	0.9282	−5.76
3640	1.1190	1.1115	−0.67
3660	0.8268	0.8253	−0.18
3680	0.8329	0.8158	−2.05
3700	0.7749	0.7794	0.58
3710	0.8613	0.8681	0.79
3720	1.0595	1.0500	−0.90
3740	1.0790	1.0419	−3.44
3760	0.9736	0.9715	−0.22
3800	0.9686	0.9761	0.77
3810	1.0399	0.9159	−11.92
3840	0.8970	0.8820	−1.67
3850	0.8971	0.9045	0.82
3870	0.9400	0.9247	−1.63
3880	0.8475	0.8207	−3.16
3920	0.9278	0.9036	−2.61
3960	0.7965	0.7841	−1.56
3980	0.9357	0.8811	−5.84
4000	0.9078	0.9282	2.25
4040	0.9726	0.9714	−0.12
4080	0.8472	0.8091	−4.50
4100	0.8745	0.8688	−0.65
4120	1.1521	1.1528	0.06
4150	0.7923	0.8074	1.91
4200	0.8315	0.8267	−0.58
4243	0.9179	0.9383	2.22
4280	0.8581	0.8685	1.21

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
4320	0.9483	0.9522	0.41
4360	0.9892	1.0033	1.43
4400	0.9097	0.8923	−1.91
4420	0.8629	0.9113	5.61
4480	1.2001	1.1795	−1.72
4520	0.9276	0.9242	−0.37
4600	0.9646	0.8272	−14.24
4640	0.9219	0.9134	−0.92
4680	0.9204	0.8953	−2.73
4720	1.0467	1.0264	−1.94
4800	0.8900	0.9180	3.15
4840	0.4914	0.4795	−2.42
4880	0.8428	0.8381	−0.56
4890	1.0498	1.0772	2.61
4900	1.0253	0.9776	−4.65
4920	0.8920	0.9009	1.00
4940	0.9837	0.9692	−1.47
5000	0.9802	0.9894	0.94
5015	1.1213	1.1366	1.36
5080	0.9893	0.9988	0.96
5120	1.0903	1.1001	0.90
5140	0.9157	0.8718	−4.79
5160	0.8108	0.7994	−1.41
5170	1.0498	1.1275	7.40
5190	1.0674	1.0956	2.64
5200	0.8137	0.7922	−2.64
5240	0.7734	0.7907	2.24
5280	0.9284	0.8775	−5.48
5330	0.8976	0.9112	1.52
5345	0.9754	0.9790	0.37
5360	0.9578	0.9855	2.89
5380	1.3357	1.3140	−1.62
5483	1.2408	1.2385	−0.19
5523	1.1767	1.1631	−1.16
5560	0.9046	0.9174	1.41
5600	1.4414	1.4018	−2.75
5640	1.1381	1.1518	1.20
5660	1.1387	1.1509	1.07
5720	0.8574	0.8619	0.52
5775	1.5072	1.4921	−1.00
5790	0.9402	0.9728	3.47
5800	0.9397	0.9327	−0.74
5880	0.8900	0.8984	0.94
5910	1.0960	1.0963	0.03
5920	0.9978	0.9745	−2.34
5945	1.1474	1.1372	−0.89
5960	0.9640	0.9654	0.15
5990	0.8344	0.8374	0.36
6015	0.8865	0.8202	−7.48
6020	0.8127	0.8039	−1.08
6080	0.8645	0.8753	1.25
6120	0.8739	0.8734	−0.06
6160	1.0713	1.0883	1.59
6200	0.9820	1.0129	3.15
6240	0.7962	0.7865	−1.22
6280	0.9365	0.8901	−4.95
6323	1.0235	1.0276	0.40
6340	0.9372	0.9042	−3.52
6360	0.5169	0.4708	−8.92
6403	0.9794	0.9949	1.58
6440	1.0667	1.1213	5.12
6483	1.0854	1.0977	1.13
6520	0.9984	0.9976	−0.08
6560	0.8820	0.8778	−0.48
6580	0.9218	0.9510	3.17
6600	0.9334	0.8814	−5.57
6640	0.9990	0.9959	−0.31
6660	0.8846	0.8806	−0.45
6680	0.9295	0.9133	−1.74
6690	1.1135	1.1352	1.95

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
6720	1.0648	1.0682	0.32
6740	1.1491	1.0609	−7.68
6760	0.9477	0.9349	−1.35
6780	1.1365	1.1348	−0.15
6800	0.8614	0.8700	1.00
6820	1.2139	1.1739	−3.30
6840	0.9194	0.9430	2.57
6880	0.9625	0.9666	0.43
6895	0.9228	0.9076	−1.65
6920	1.1500	1.1845	3.00
6960	0.9650	1.0032	3.96
6980	0.9700	0.9506	−2.00
7000	0.8021	0.8056	0.44
7040	0.8855	0.9033	2.01
7080	1.0367	1.0482	1.11
7120	1.4623	1.4339	−1.94
7160	0.9945	0.9913	−0.32
7200	0.8374	0.8535	1.92
7240	0.8753	0.8870	1.34
7320	1.1131	1.1147	0.14
7360	1.4142	1.4514	2.63
7400	1.4145	1.4626	3.40
7440	0.4741	0.4909	3.54
7460	1.1271	1.1429	1.40
7480	1.0481	1.0441	−0.38
7485	1.3646	1.2942	−5.16
7490	1.0712	1.0653	−0.55
7500	1.3046	1.2877	−1.30
7510	0.9425	0.9964	5.72
7520	0.9376	0.9472	1.02
7560	0.8599	0.8412	−2.17
7600	1.1474	1.1562	0.77
7610	0.7869	0.7751	−1.50
7620	0.8697	0.8624	−0.84
7640	0.9255	0.9700	4.81
7680	0.8987	0.9083	1.07
7720	0.9046	0.8993	−0.59
7760	0.9257	0.9309	0.56
7800	0.9802	0.9821	0.19
7840	1.0852	1.0901	0.45
7880	0.8659	0.8944	3.29
7920	0.8424	0.8457	0.39
8003	1.0927	1.0543	−3.51
8050	0.8941	0.8740	−2.25
8080	0.8804	0.8398	−4.61
8120	1.0506	1.0404	−0.97
8140	0.8273	0.8243	−0.36
8160	0.9714	0.9412	−3.11
8200	1.0940	1.1116	1.61
8240	0.8504	0.8520	0.19
8280	0.9065	0.9103	0.42
8320	0.8599	0.8325	−3.19
8360	0.8088	0.8150	0.77
8400	0.9810	0.9381	−4.37
8440	0.9199	0.9108	−0.99
8480	1.0432	1.0517	0.81
8520	0.8911	0.8981	0.79
8560	0.8332	0.9185	10.24
8600	0.8130	0.8212	1.01
8640	0.9521	0.9404	−1.23
8680	0.8465	0.8403	−0.73
8720	1.3354	1.3377	0.17
8735	1.1096	1.1064	−0.29
8750	0.8756	0.8184	−6.53
8760	1.0031	1.0405	3.73
8780	0.9429	0.9856	4.53
8800	0.8073	0.8394	3.98
8840	1.0851	1.0904	0.49
8920	0.8069	0.8366	3.68
8940	0.9782	0.9692	−0.92

Urban MSA	FY 2003 wage index	Proposed CY 2005 wage index	Percent change, FY 2003—proposed CY 2005
8960	0.9939	0.9798	−1.42
9000	0.7670	0.7494	−2.29
9040	0.9520	0.9238	−2.96
9080	0.8498	0.8341	−1.85
9140	0.8544	0.8158	−4.52
9160	1.1173	1.0882	−2.60
9200	0.9640	0.9563	−0.80
9260	1.0569	1.0372	−1.86
9270	0.9434	0.9204	−2.44
9280	0.9026	0.9119	1.03
9320	0.9358	0.9214	−1.54
9340	1.0276	1.0196	−0.78
9360	0.8589	0.8895	3.56

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