

Program Memorandum Intermediaries

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal A-02-092

Date: SEPTEMBER 30, 2002

CHANGE REQUEST 2400

SUBJECT: Corrections to: *Changes to the Hospital Inpatient Prospective Payment Systems and Rates and Costs of Graduate Medical Education, etc.*; as Published in the Federal Register, FY 2002 (66 FR 39828, August 1, 2001) and FY 2003 (67 FR 49982, August 1, 2002).

This Program Memorandum (PM) corrects certain wage index values and hospital geographical classifications that were published incorrectly in the Federal fiscal year (FY) 2002 and FY 2003 **Federal Register**.

Changes to PRICER will be made to incorporate these new wage entities. **Inform the affected hospitals of these changes.**

FY 2002 Revisions to the Wage Index and Capital Geographic Adjustment Factors (GAF)

The FY 2002 for Killeen-Temple, TX, MSA 3810, is revised from 0.8471 to 0.9764. The geographical adjustment value is revised from 0.8926 to 0.9838. This change is effective for discharges occurring during (FY) 2002 that are submitted after October 1, 2002. It is not necessary to reprocess claims submitted before October 1, 2002.

TABLE 4A

MSA	Previous Wage Index	Previous GAF	Corrected Wage Index	Corrected GAF
3810 Killeen-Temple, TX	0.8471	0.8926	0.9764	0.9838

FY 2003 Revisions to the Wage Index and Capital Geographic Adjustment Factors (GAF)

The following charts reflect corrections to the average hourly wages (AHW), wage indexes, and capital geographic adjustment factors (GAF), published in Tables 2, 3A, 4A, and 9, in the August 1, 2002 **Federal Register** (67 FR 50135 - 50223). We are also making corresponding changes to Table 7 of the July 31, 2002 **Federal Register** publishing the final wage indexes for skilled nursing facilities (SNF) (67 FR 49807 - 49813). These changes are all effective for discharges occurring on or after October 1, 2002.

TABLE 2

PROVIDER NUMBER	Published FY2003 AHW	Published 3-Year AHW	Corrected FY 2003 AHW	Corrected 3-Year AHW
140155	13.0438	17.2026	24.2907	21.4743
450054	23.0492	21.9091	25.3285	22.6900

TABLE 3A

MSA	Published FY 2003 AHW	Published 3-Year AHW	Corrected FY 2003 AHW	Corrected 3-Year AHW
3740 Kankakee, IL	18.8681	20.7325	25.0641	22.8591
3810 Killeen – Temple, TX	22.2296	21.1752	24.1567	21.8355

TABLE 4A

MSA	Published Wage Index	Published GAF	Corrected Wage Index	Corrected GAF
3740 Kankakee, IL	0.8204	0.8732	1.0790	1.0534
3810 Killeen-Temple, TX	0.9570	0.9704	1.0399	1.0272

TABLE 7 of the FY 2003 Final Rule for SNFs

MSA	Published Wage Index	Corrected Wage Index
3740 Kankakee, IL	0.8204	1.0790
3810 Killeen-Temple, TX	0.9570	1.0399

The following chart reflects corrections to the hospital reclassifications published in Table 9. These changes are effective for discharges occurring on or after October 1, 2002. Providers 390197 and 390263 were not reclassified for FY 2003 and were erroneously included in Table 9.

TABLE 9

Provider Number	Actual MSA or rural area	Wage Index MSA reclassification	Standardized Amount MSA reclassification
240036	6980	-----	5120
470011	47	1123	1123

The *effective date* for this PM is October 1, 2002.

The *implementation date* for this PM is October 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after October 1, 2003.

If you have any questions, contact the Division of Acute Care, (410) 786-4548.