

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

#### 42 CFR Parts 409, 413, 440, and 483

[CMS-1469-P]

RIN 0938-AL20

### Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities—Update

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

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would update the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs), for fiscal year (FY) 2004, as required by statute. Annual updates to the PPS rates are required by section 1888(e) of the Social Security Act (the Act), as amended by the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA), and the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000 (BIPA), relating to Medicare payments and consolidated billing for SNFs.

**DATES:** We will consider comments if we receive them at the appropriate address, as provided below, no later than 5 p.m. on July 7, 2003.

**ADDRESSES:** Mail written comments (one original and three copies) to the following address: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1469-P, PO Box 8013, Baltimore, MD 21244-8013.

If you prefer, you may deliver your written comments (one original and three copies) to one of the following addresses: Hubert H. Humphrey Building, Room 443-G, 200 Independence Avenue, SW., Washington, DC 20201, or Centers for Medicare & Medicaid Services, Room C5-14-03, 7500 Security Boulevard, Baltimore, MD 21244-8013.

Comments mailed to those addresses designated for courier delivery may be delayed and could be considered late. Because of staffing and resource limitations, we cannot accept comments by facsimile (FAX) transmission. Please refer to file code CMS-1469-P on each comment. Comments received timely will be available for public inspection as they are received, generally beginning approximately 3 weeks after publication

of this document, in Room C5-12-08 of the Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Baltimore, Maryland, Monday through Friday of each week from 8:30 a.m. to 4 p.m. Please call (410) 786-7197 to make an appointment to view comments.

#### FOR FURTHER INFORMATION CONTACT:

John Davis, (410) 786-0008 (for information related to the Wage Index, and for information related to swing-bed providers).

Ellen Gay, (410) 786-4528 (for information related to the case-mix classification methodology, and for information related to swing-bed providers).

Bill Ullman, (410) 786-5667 (for information related to level of care determinations, consolidated billing, and general information).

#### SUPPLEMENTARY INFORMATION:

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To assist readers in referencing sections contained in this document, we are providing the following Table of Contents.

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- In addition, because of the many terms to which we refer by abbreviation in this proposed rule, we are listing these abbreviations and their corresponding terms in alphabetical order below:

ADL	Activity of Daily Living
AHE	Average Hourly Earnings
ARD	Assessment Reference Date
BBA	Balanced Budget Act of 1997, Pub.L. 105-33
BBRA	Medicare, Medicaid and SCHIP Balanced Budget Refinement Act of 1999, Pub.L. 106-113
BEA	(U.S.) Bureau of Economic Analysis
BIPA	Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, Pub.L. 106-554
CAH	Critical Access Hospital
CFR	Code of Federal Regulations
CMS	Centers for Medicare & Medicaid Services
CPT	(Physicians') Current Procedural Terminology
DRG	Diagnosis Related Group
FI	Fiscal Intermediary
FR	Federal Register
FY	Fiscal Year
GAO	General Accounting Office
HCPCS	Healthcare Common Procedure Coding System
ICD-9-CM	International Classification of Diseases, Ninth Edition, Clinical Modification