

TABLE I.—IMPACT ANALYSIS OF PROPOSED CHANGES FOR FY 2004 OPERATING PROSPECTIVE PAYMENT SYSTEM—
Continued

[Percent changes in payments per case]

	Number of hosps. ¹	Transfer changes 2004 base ²	DRG changes ³	New wage data ⁴	New wage index without nonphys. part B ⁵	DRG & wage index changes ⁶	MCGRB reclassi- fication ⁷	ALL FY 2004 changes ⁸
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Non special status hospitals	521	-0.3	0.1	-0.4	0.0	0.3	1.0	2.2
RRC	149	-0.2	-0.1	-0.1	0.0	0.6	5.9	2.6
SCH	494	-0.1	0.0	-0.1	0.0	0.5	0.3	3.9
Medicare-dependent hospitals (MDH)	254	-0.3	0.2	-0.2	0.0	0.8	0.7	3.3
SCH and RRC	78	0.0	-0.1	-0.1	0.0	0.3	1.4	3.3
Type of Ownership:								
Voluntary	2,435	-0.2	0.0	-0.5	0.1	0.0	0.0	2.5
Proprietary	699	-0.2	0.0	-0.2	0.1	0.2	0.0	2.6
Government	833	-0.2	0.0	-0.4	0.1	0.0	0.3	2.7
Unknown	120	-0.1	0.0	-1.1	0.0	-0.8	-0.4	1.8
Medicare Utilization as a Percent of Inpa- tient Days:								
0-25	304	-0.2	-0.1	0.0	0.0	0.1	-0.3	3.0
25-50	1,557	-0.2	0.0	-0.5	0.1	-0.1	-0.2	2.5
50-65	1,663	-0.2	0.0	-0.4	0.2	0.2	0.3	2.5
Over 65	459	-0.2	0.0	-0.1	0.1	0.4	0.7	2.7
Unknown	104	-0.2	-0.1	0.0	0.0	0.2	-0.6	3.0
Hospitals Reclassified by the Medicare Geo- graphic Classification Review Board: FY 2004 Reclassifications:								
All Reclassified Hospitals	639	-0.2	0.0	-0.3	0.1	0.3	4.3	3.0
Standardized Amount Only	22	-0.2	0.0	-0.7	0.5	0.0	3.9	5.8
Wage Index Only	556	-0.2	0.0	-0.4	0.2	0.3	4.3	2.4
Both	33	-0.2	-0.1	-0.4	0.2	0.2	6.0	3.1
Nonreclassified Hospitals	3,442	-0.2	0.0	-0.4	0.1	0.0	-0.62.5	
All Reclassified Urban Hospitals	136	-0.2	0.0	-0.5	0.3	0.1	4.0	2.7
Standardized Amount Only	13	-0.2	-0.1	-1.4	0.2	-1.2	0.9	2.4
Wage Index Only	82	-0.2	0.0	-0.7	0.3	0.1	3.9	2.3
Both	41	-0.3	0.0	0.1	0.2	0.6	5.4	3.8
Urban Nonreclassified Hospitals	2,415	-0.2	0.0	-0.5	0.1	-0.1	-0.6	2.4
All Reclassified Rural Hospitals	503	-0.2	-0.1	-0.1	0.0	0.5	4.6	3.2
Standardized Amount Only	15	-0.2	0.1	-0.4	0.1	0.4	4.8	2.1
Wage Index Only	464	-0.1	-0.1	-0.1	0.0	0.5	4.2	3.2
Both	24	-0.2	0.0	-0.1	0.0	0.5	8.7	3.8
Rural Nonreclassified Hospitals	999	-0.2	0.1	-0.3	0.0	0.5	-0.5	2.8
Other Reclassified Hospitals (Section 1886(D)(8)(B))	34	-0.2	0.1	0.0	0.0	0.4	-2.0	1.8

¹ Because data necessary to classify some hospitals by category were missing, the total number of hospitals in each category may not equal the national total. Discharge data are from FY 2002, and hospital cost report data are from reporting periods beginning in FY 2000 and FY 1999.

² This column displays the payment impact of the expanded postacute care transfer policy.

³ This column displays the payment impact of the recalibration of the DRG weights based on FY 2002 MedPAR data and the DRG reclassification changes, in accordance with section 1886(d)(4)(C) of the Act.

⁴ This column displays the impact of updating the wage index with wage data from hospitals' FY 2000 cost reports.

⁵ This column displays the impact of removing nonphysician Part B costs and hours from cost report data (Worksheet S-3, Part II, Line 5.01).

⁶ This column displays the combined impact of the reclassification and recalibration of the DRGs, the updated and revised wage data used to calculate the wage index, the removal of nonphysician Part B costs and hours, and the budget neutrality adjustment factor for DRG and wage index changes, in accordance with sections 1886(d)(4)(C)(iii) and 1886(d)(3)(E) of the Act. Thus, it represents the combined impacts shown in columns 3, 4, and 5, and the proposed FY 2004 budget neutrality factor of 1.003133.

⁷ Shown here are the effects of geographic reclassifications by the Medicare Geographic Classification Review Board (MGRB). The effects demonstrate the FY 2004 payment impact of going from no reclassifications to the reclassifications scheduled to be in effect for FY 2004. Reclassification for prior years has no bearing on the payment impacts shown here.

⁸ This column shows changes in payments from FY 2003 to FY 2004. It incorporates all of the changes displayed in columns 2, 6, and 7 (the changes displayed in columns 3, 4, and 5 are included in column 6). It also reflects the impact of the FY 2004 update, changes in hospitals' reclassification status in FY 2004 compared to FY 2003, and the difference in outlier payments from FY 2003 to FY 2004. The sum of these impacts may be different from the percentage changes shown here due to rounding and interactive effect.

C. Impact of the Proposed Changes to the Postacute Care Transfer Policy (Column 2)

In column 2 of Table I, we present the effects of the postacute care transfer policy expansion, as discussed in section IV.A. of

the preamble to this proposed rule. We compared aggregate payments using the FY 2003 DRG relative weights (GROPER version 21.0) with the expanded postacute care transfer policy to aggregate payments

using the proposed expanded postacute care transfer policy (with the additional 19 DRGs). The changes we are proposing to make would result in 0.2 percent lower payments to