

cases from the FY 2002 MedPAR file, we identified 173 LTC-DRGs that contained between 1 and 24 cases. This list of LTC-DRGs was then divided into one of the five low volume quintiles, each containing a minimum of 34 LTC-DRGs ( $173/5 = 34$  with 3 LTC-DRGs as the remainder). For FY 2004, as we described in that same proposed rule, we are making an assignment to a specific low volume quintile by sorting the 173 low volume LTC-DRGs in ascending order by average charge. Since the number of LTC-DRGs with less than 25 LTCH cases is not evenly divisible by five, the average charge of the low volume LTC-DRG was used to determine which low volume quintile received the additional LTC-DRG. After sorting the 173 low volume LTC-DRGs in ascending order, we grouped the first fifth (34) of low volume LTC-DRGs with

the lowest average charge into Quintile 1. The highest average charge cases are grouped into Quintile 5. Since the average charge of the 69th LTC-DRG in the sorted list is closer to the previous LTC-DRG's average charge (assigned to Quintile 2) than to the average charge of the 70th LTC-DRG in the sorted list (to be assigned to Quintile 3), we placed it into Quintile 2. This process was repeated through the remaining low volume LTC-DRGs so that 3 low volume quintiles contain 35 LTC-DRGs and 2 low volume quintiles contain 34 LTC-DRGs.

In order to determine the relative weights for the LTC-DRGs with low volume for FY 2004, in accordance with the methodology described in the May 19, 2003 proposed rule (68 FR 27176), we used the five low volume quintiles described above. The composition of

each of the five low volume quintiles shown below in Table 1 is used in determining the LTC-DRG relative weights for FY 2004. We determine a relative weight and (geometric) average length of stay for each of the five low volume quintiles using the formula that we apply to the regular LTC-DRGs (25 or more cases), as described below in section II.D.4. of this preamble. We assign the same relative weight and average length of stay to each of the LTC-DRGs that make up that low volume quintile. We note that as this system is dynamic, it is possible that the number and specific type of LTC-DRGs with a low volume of LTCH cases will vary in the future. We use the best available claims data in the MedPAR file to identify low volume LTC-DRGs and to calculate the relative weights based on our methodology.

TABLE 1.—COMPOSITION OF LOW VOLUME QUINTILES

LTC-DRG	Description
<b>Quintile 1</b>	
44 .....	ACUTE MAJOR EYE INFECTIONS.
46 .....	OTHER DISORDERS OF THE EYE AGE >17 W CC.
47 .....	OTHER DISORDERS OF THE EYE AGE >17 W/O CC.
65 .....	DYSEQUILIBRIUM.
66 .....	EPISTAXIS.
69 .....	OTITIS MEDIA & URI AGE >17 W/O CC.
93 .....	INTERSTITIAL LUNG DISEASE W/O CC.
95 .....	PNEUMOTHORAX W/O CC.
149 .....	MAJOR SMALL & LARGE BOWEL PROCEDURES W/O CC.
178 .....	UNCOMPLICATED PEPTIC ULCER W/O CC.
192 .....	PANCREAS, LIVER & SHUNT PROCEDURES W/O CC.
273 .....	MAJOR SKIN DISORDERS W/O CC.
276 .....	NON-MALIGNANT BREAST DISORDERS.
284 .....	MINOR SKIN DISORDERS W/O CC.
305 .....	KIDNEY, URETER & MAJOR BLADDER PROC FOR NON-NEOPL W/O CC.
311 .....	TRANSURETHRAL PROCEDURES W/O CC.
319 .....	KIDNEY & URINARY TRACT NEOPLASMS W/O CC.
326 .....	KIDNEY & URINARY TRACT SIGNS & SYMPTOMS AGE >17 W/O CC.
342 .....	CIRCUMCISION AGE >17.
344 .....	OTHER MALE REPRODUCTIVE SYSTEM O.R. PROCEDURES FOR MALIGNANCY.
348 .....	BENIGN PROSTATIC HYPERTROPHY W CC.
349 .....	BENIGN PROSTATIC HYPERTROPHY W/O CC.
367 .....	MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM W/O CC.
376 .....	POSTPARTUM & POST ABORTION DIAGNOSES W/O O.R. PROCEDURE.
399 .....	RETICULOENDOTHELIAL & IMMUNITY DISORDERS W/O CC.
414 .....	OTHER MYELOPROLIF DIS OR POORLY DIFF NEOPL DIAG W/O CC.
428 .....	DISORDERS OF PERSONALITY & IMPULSE CONTROL.
431 .....	CHILDHOOD MENTAL DISORDERS.
432 .....	OTHER MENTAL DISORDER DIAGNOSES.
433 .....	ALCOHOL/DRUG ABUSE OR DEPENDENCE, LEFT AMA.
467 .....	OTHER FACTORS INFLUENCING HEALTH STATUS.
511 .....	NON-EXTENSIVE BURNS W/O CC OR SIGNIFICANT TRAUMA.
538 .....	LOCAL EXCISION AND REMOVAL OF INTERNAL FIXATION DEVICES EXCEPT HIP AND FEMUR WITHOUT CC.
540 .....	LYMPHOMA AND LEUKEMIA WITH MAJOR O.R. PROCEDURE WITHOUT CC.
<b>Quintile 2</b>	
21 .....	VIRAL MENINGITIS.
22 .....	HYPERTENSIVE ENCEPHALOPATHY.
31** .....	CONCUSSION AGE >17 W CC.
53 .....	SINUS & MASTOID PROCEDURES AGE >17.
61 .....	MYRINGOTOMY W TUBE INSERTION AGE >17.
72 .....	NASAL TRAUMA & DEFORMITY.
84 .....	MAJOR CHEST TRAUMA W/O CC.
128 .....	DEEP VEIN THROMBOPHLEBITIS.