

result in corrections to the reclassification data displayed in Table 9 of the August 1, 2003 final rule. We note that wage index changes and geographic reclassifications are required to be budget neutral under sections 1886(d)(3)(E) and 1886(d)(8)(D) of the Social Security Act (the Act). Similarly, section 412.308(c)(4) of the regulations requires that the capital standard Federal rate be adjusted so that the annual DRG reclassification and the recalibration of DRG weights and changes in the geographic adjustment factor (GAF) are budget neutral. Therefore, in order to comply with the statutory and regulatory requirements for overall budget neutrality, we recalculated the budget neutrality factors applied to operating national average standardized amounts and the capital Federal rate. Because the wage indexes generally increased across all hospitals, the budget neutrality calculations caused the standardized amounts to decrease slightly. We have also corrected the relevant columns of Table I from the impact analysis in Appendix A to reflect these corrections to the wage index and standardized amounts. In addition, we are correcting a typographical error in the same table. We note that this correction is essentially nullified by the wage index corrections. However, we want to point out the value of the published figure should have been positive rather than negative (*see* correction to page 45662). Finally, we note that total payments to hospitals under IPPS are relatively unaffected by changes in prospective payments for capital-related costs. Since capital PPS payments constitute about 10 percent of hospital payments, a 1-percent change in the capital Federal rate yields only about 0.1 percent change in actual payments to hospitals. Thus, the impact of the -0.31 percent change in the FY 2004 capital Federal rate is negligible.

Lastly, we are republishing Table 10, Mean and .75 Standard Deviation by Diagnosis-Related Group in its entirety, due to the inadvertent publication of the incorrect version of Table 10 in the final rule.

## II. Correction of Errors

In FR Doc. 03-19363 of August 1, 2003 (68 FR 45346), make the following corrections:

1. On page 45370,  
a. First column, second and third full paragraphs, the paragraphs beginning with the phrases “*Response*: In response to comments” and “While we recognize the significant” are corrected to read “*Response*: We agree it is appropriate to correct the assignment of procedures to

DRG 525 in light of the lower charges associated with procedure code 37.62. Therefore, we are moving code 37.62 into DRGs 104 and 105, and leaving procedure codes 37.63, 37.65, and 37.66 in DRG 525.”;

b. First column last paragraph, lines 1 through 3, the sentence “Furthermore, the volume and mix of cases in this DRG is likely to change over the next year” is corrected by deleting the sentence; and

c. Second column, first full paragraph, last line, the phrase “revising DRG 525.” is corrected to read “any further revisions to these DRG assignments.”.

2. On page 45371, first column, third full paragraph, line 3, the phrase “increase the harge” is corrected to read “increase the charge”.

3. On page 45386, third column, first full paragraph, lines 5, the phrase “such item” is corrected to read “such items”.

4. On page 45390,

a. Second column,

(1) First partial paragraph, last line, sentences are added to read “We note that, InFUSE™ Bone Graft/LT-CAGE™ Lumbar Tapered Fusion Device with recombinant human bone morphogenetic protein (rhBMP) 2 is the only rhBMP technology that has applied and met the criteria for the new technology add-on payment. Therefore, the add-on payments will apply only to this technology”;

(2) Second full paragraph, lines 6 through 19, the sentences, “The average cost of the InFUSE™ is reported to be \$8,900, and a single level fusion requires two of the products. Therefore, the total cost for the InFUSE™ for a single-level fusion is expected to be \$17,800. Under § 412.88(a)(2), new technology add-on payments are limited to the lesser of 50 percent of the average cost of the device or 50 percent of the costs in excess of the DRG payment for the case. As a result, the maximum add-on payment for a case involving the InFUSE™ is \$8,900.” are corrected to read “The average cost of the InFUSE™ is reported to be \$8,900 for a single level fusion. Under § 412.88(a)(2), new technology add-on payments are limited to the lesser of 50 percent of the average cost of the device or 50 percent of the costs in excess of the DRG payment for the case. As a result the maximum add-on payment for a case involving the InFUSE™ is \$4,450.”; and

(3) Third full paragraph,

(a) Line 11, the figure “\$8,900” is corrected to read “\$4,450”; and

(b) Line 14, the figure “\$4.4 million” is corrected to read “\$2.2 million”.

b. Third column, first full paragraph, line 2, the phrase “meet the cost” is corrected to read “meets the cost”.

5. On page 45399,

a. First column, fourth full paragraph, line 9, the figure “\$24.8076” is corrected to read “\$24.7202”; and

b. Second column, first full paragraph, line 16, the figure “\$11.5905” is corrected to read “\$11.6030”.

6. On page 45410, first column, second full paragraph, line 3, the phrase “Of the three DRGs that” is corrected to read “Of these ten, three DRGs”.

7. On page 45413, table at the top of the page, line 19 (DRG 468), fifth column, the figure “7.07” is corrected to read “-7.07”.

8. On page 45416, third column, third paragraph, lines 12 through 13, the parenthetical phrase “(68 FR 37202 through 37204).” is corrected to read “(68 FR 27202 through 27204).”.

9. On page 45446, first column,  
a. Lines 46 through 49, the phrase “agreements that will allow hospitals to continue counting residents training in nonhospital sites for indirect and direct GME.” is corrected by italicizing it to read “*agreements that will allow hospitals to continue counting residents training in nonhospital sites for indirect and direct GME.*”;

b. Lines 51 through 54, the sentence “We do not believe that the agreements regarding these financial transactions will necessitate changes in the placement and training of residents.” is corrected by italicizing it to read “*We do not believe that the agreements regarding these financial transactions will necessitate changes in the placement and training of residents.*”; and

c. Lines 60 through 64, the sentence “Currently the hospital is able to count the resident even though the costs for that resident may be lower during the time when the resident trains outside the hospital.” is corrected by italicizing it to read “*Currently the hospital is able to count the resident even though the costs for that resident may be lower during the time when the resident trains outside the hospital.*”.

10. On page 45453, second column, line 19, the phrase “condone, cost” is corrected to read “condoned, cost”.

## § 413.86 [Corrected]

■ 11. On page 45472, first column, lines 3 and 4, the phrase “T. Redesignating paragraphs (i) and (j) as paragraphs (j) and (k), respectively,” is corrected to read “Redesignating paragraphs (i), (j), and (k) as paragraphs (j), (k), and (l), respectively.”.

12. On page 45475, third column, fifth paragraph, line 9, the figure “\$14.4 million” is corrected to read “\$12.2 million”.