

C. Provisions Related to the Sustainable Growth Rate

Section 211(b)(1) of the BBRA amended section 1848(f)(1) of the Act to require that three SGR estimates be published in the **Federal Register** not later than November 1 of every year. In this final rule, we are publishing our preliminary estimate of the SGR for 2004, a revised estimate of the SGR for

2003, and our final determination of the SGR for 2002. Consistent with section 1848(f)(3)(C) of the Act, we are using the best data available to us as of September 1, 2003 for all of the figures.

D. Preliminary Estimate of the SGR for 2004

Our preliminary estimate of the 2004 SGR is 7.4 percent. We first estimated

the 2004 SGR in March and made the estimate available to the Medicare Payment Advisory Commission and on our website. Table 13 shows our March estimates and our current estimates of the factors included in the SGR:

TABLE 14

Statutory factors	March estimate	Current estimate
Fees	2.3% (1.023)	2.7% (1.027)
Enrollment	1.3% (1.013)	1.7% (1.017)
Real Per Capita GDP	2.7% (1.027)	2.8% (1.028)
Law and Regulation	0.0% (1.000)	0.0% (1.000)
Total	6.4% (1.064)	7.4% (1.074)

Note: Consistent with section 1848(f)(2) of the Act, the statutory factors are multiplied, not added, to produce the total (that is, $1.027 \times 1.017 \times 1.028 \times 1.000 = 1.074$.) A more detailed explanation of each figure is provided below in section G.1.

E. Revised SGR for 2003

Our current estimate of the 2003 SGR is 6.7 percent. Table 14 shows our preliminary estimate of the 2003 SGR that was published in the **Federal**

Register on December 1, 2002 (67 FR 80027) and our current estimate:

TABLE 15

Statutory factors	12/31/02 estimate	Current estimate
Fees	2.9% (1.029)	2.8% (1.028)
Enrollment	1.2% (1.012)	2.4% (1.024)
Real Per Capita GDP	3.3% (1.033)	1.4% (1.014)
Law and Regulation	0.0% (1.000)	0.0% (1.000)
Total	7.6% (1.076)	6.7% (1.067)

A more detailed explanation of each figure is provided below in section G.2.

F. Final Sustainable Growth Rate for 2002

The SGR for 2002 is 8.3 percent. Table 16 shows our preliminary estimate of the SGR published in the **Federal**

Register on November 1, 2001 (66 FR 55317), our revised estimate published in the **Federal Register** on December 31, 2001 (67 FR 80028) and the final figures determined using the latest available data:

TABLE 16

Statutory factors	11/1/01 estimate	12/31/02 estimate ⁽¹⁾	Final
Fees	2.3% (1.023)	2.5% (1.025)	2.5% (1.025)
Enrollment	0.7% (1.007)	2.8% (1.028)	3.2% (1.032)
Real Per Capita GDP	1.7% (1.027)	2.3% (1.023)	1.4% (1.014)
Law and Reg	0.8% (1.008)	1.1% (1.011)	1.0% (1.010)
Total	5.6% (1.056)	9.0% (1.090)	8.3% (1.083)

¹ The figures for fees, enrollment and real per capita GDP from the 12/31/02 final rule are shown here. We made a subsequent change to the law and regulations factor and the total in the February 28, 2003 **Federal Register** (68 FR 9572). We show the revised law and regulation factor and total in the above table.