

TABLE 15.—IMPACT OF CHANGE FOR CY 2004 HOSPITAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM—Continued
[Percent change in total payments to hospital (program and beneficiary); does not include hold harmless, corridor, outlier or transitional pass-through payments]

	Number of hospitals (1)	New Wage index (2)	APC changes (3)	All CY 2004 changes (4)
PSYCH	175	0.8	12.2	18.2
LTC	150	1.6	1.2	7.5
CHILDREN	44	0	0.5	4.9

1. Some data necessary to classify hospitals by category were missing; thus, the total number of hospitals in each category may not equal the national total.

2. This column shows the impact of updating the wage index used to calculate payment by applying the FY 2004 hospital inpatient wage index after geographic reclassification by the Medicare Geographic Classification Review Board. The appropriate hospital inpatient wage index appears in a correction notice published in the FEDERAL REGISTER on October 6, 2003 68FR 57732.

3. This column shows the impact of changes resulting from the reclassification of HCPCS codes among APC groups and the recalibration of APC weights based on 2002 hospital claims data.

4. This column shows changes in total payment from CY 2003 to CY 2004, excluding outlier and pass-through payments. It incorporates all of the changes reflected in columns 2 and 3. In addition, it shows the impact of the FY 2004 payment update. The sum of the columns may be different from the percentage changes shown here due to rounding.

5. Volume is expressed in terms of the number of lines that appear on a claim.

E. Projected Distribution of Outlier Payments

As stated elsewhere in this preamble, we have allocated 2 percent of the estimated 2004 expenditures to outlier payments. Table 16 below illustrates the percentage of outlier payments relative to the total projected payments for the categories of hospitals that we show in the impact table.

We project, based on the mix of services for the hospitals that will be paid under the OPPTS in 2004, that approximately 95 percent of hospitals will receive outlier payments. For the majority of provider groups, the table shows outlier payments as a percent of total payments in the 1.5 to 3.5 percent range. Two categories, Rehabilitation and Children's hospitals are the

exception with outlier to total payment ratios of 6.7 and 11.9 percent respectively. We would point out that these hospital types represent a small number of providers with a low volume of services. The anticipated outlier payments for urban hospitals can be expected to ameliorate the impact of the wage index and APC changes on payments to urban hospitals.

TABLE 16.—DISTRIBUTION OF OUTLIER PAYMENTS FOR CY 2004 HOSPITAL OUTPATIENT PROSPECTIVE PAYMENT

	Number of hospitals	Percent of total hospitals	Number of hospitals with outliers	Outlier payments as a percent of total payments (percent)
ALL HOSPITALS	4,378	100	4,144	2.0
NON-TEFRA HOSPITALS	3,854	88	3,841	2.0
URBAN HOSPS	2,383	54.4	2,372	2.1
LARGE URBAN (GT 1 MILL.)	1,377	31.4	1,371	2.3
OTHER URBAN (LE 1 MILL.)	1,006	23	1,001	1.8
RURAL HOSPS	1,471	33.6	1,469	1.7
BEDS (URBAN)				
0-99 BEDS	538	12.2	529	2.5
100-199 BEDS	878	20	877	1.8
200-299 BEDS	454	10.4	453	1.9
300-499 BEDS	363	8.2	363	2.1
500 + BEDS	150	3.4	150	2.6
BEDS (RURAL)				
0-49 BEDS	699	16	698	2.3
50-99 BEDS	454	10.4	453	1.9
100-149 BEDS	190	4.4	190	1.4
150-199 BEDS	66	1.6	66	1.7
200 + BEDS	62	1.4	62	1.4
VOLUME (URBAN)				
LT 5,000	186	4.2	175	3.2
5,000-10,999	350	8	350	3.0
11,000-20,999	499	11.4	499	2.1
21,000-42,999	720	16.4	720	2.0
GT 42,999	628	14.4	628	2.1
VOLUME (RURAL)				
LT 5,000	364	8.4	362	3.1
5,000-10,999	466	10.6	466	2.2
11,000-20,999	346	8	346	1.8
21,000-42,999	234	5.4	234	1.5
GT 42,999	61	1.4	61	1.5
REGION (URBAN)				
NEW ENGLAND	128	3	127	1.8