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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS-1632-CN]

RIN 0938-AS41

Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System Policy Changes and Fiscal Year 2016 Rates; Revisions of Quality Reporting Requirements for Specific Providers, including Changes Related to the Electronic Health Record Incentive Program; Extensions of the Medicare-Dependent, Small Rural Hospital Program and the Low-Volume Payment Adjustment for Hospitals; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule and interim final rule with comment period; correction.

SUMMARY: This document corrects technical and typographical errors in the final rule and interim final rule with comment period that appeared in the **Federal Register** on August 17, 2015 titled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System Policy Changes and Fiscal Year 2016 Rates; Revisions of Quality Reporting Requirements for Specific Providers, including Changes Related to the Electronic Health Record Incentive Program; Extensions of the Medicare-Dependent, Small Rural Hospital Program and the Low-Volume Payment Adjustment for Hospitals."

DATES: This document is effective October 1, 2015.

FOR FURTHER INFORMATION CONTACT: Donald Thompson, (410) 786-4487.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2015-19049 which appeared in the August 17, 2015 **Federal Register**, titled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System Policy Changes and Fiscal Year 2016 Rates; Revisions of Quality Reporting Requirements for Specific Providers, including Changes Related to the Electronic Health Record Incentive Program; Extensions of the Medicare-Dependent, Small Rural Hospital Program and the Low-Volume Payment Adjustment for Hospitals" (hereinafter referred to as the FY 2016 IPPS/LTCH PPS final rule), there were a number of technical and typographical errors that are identified and corrected in section IV. of this correcting document. The provisions in this correction document are effective as if they had been included in the document that appeared in the August 17, 2015 **Federal Register**. Accordingly, the corrections are effective October 1, 2015.

II. Summary of Errors

A. Summary of Errors in the Preamble

On page 49412, we made a typographical error with regards to an MS-DRG code. We made inadvertent and technical errors related to the employment cost index (ECI) used in the wage index, the MS-DRG reclassification and recalibration budget neutrality adjustment factor (as discussed in section II.B. of this correcting document), and the MGCRB reclassification status of certain providers (as discussed in section II.B. of this correcting document), each of which resulted in additional conforming corrections. Specifically, on page 49492, we

inadvertently miscalculated the estimated percentage change in the ECI for compensation for the 30-day increment after March 14, 2013 and before April 15, 2013 for private industry hospital workers from the Bureau of Labor Statistics' (BLS) "Compensation and Working Conditions." The ECI is used to adjust a hospital's wage data to calculate the wage index, and is based on the midpoint of a cost reporting period.

On page 49498, we are making conforming changes to the number of hospitals in New Jersey that will be receiving the imputed rural floor and to the FY 2016 rural floor value for Nevada as a result of correcting the ECI error, the technical error in the calculation of the MS-DRG reclassification and recalibration budget neutrality adjustment factor (discussed in section II.B. of this correcting document), and the error in the reclassification status of 50 providers (discussed in section II.B. of this correcting document).

On page 49619, consistent with the conforming corrections to the IPPS outlier fixed-loss cost threshold for FY 2016 discussed in section II.B. of this correcting document, we are making further conforming corrections to the FY 2016 outlier fixed-loss amount for site neutral cases in the context of our discussion regarding LTCH PPS high-cost outliers.

B. Summary of Errors in the Addendum

On page 49776, we are correcting the MS-DRG reclassification and recalibration budget neutrality adjustment factor as a result of a technical error made in the calculation of this factor. We are also making conforming changes to the affected rates and factors on pages 49787, 49788 and 49790 as a result of this error.

In addition, as discussed in section II.A. of this correcting document, we inadvertently miscalculated the percentage change in the ECI. The correction to the ECI necessitated

recalculation of the pre-reclassified unadjusted and occupational-mix adjusted wage indexes and Geographic Adjustment Factors (GAFs) of certain core-based statistical areas (CBSAs). As a result of the corrections to the ECI and the MS-DRG reclassification and recalibration budget neutrality adjustment factor, on page 49776, we recalculated the wage index budget neutrality adjustment and are making conforming changes to the tables on pages 49787 and 49788.

On pages 49776, we recalculated the reclassification hospital budget neutrality adjustment because the reclassification status in the FY 2016 IPPS/LTCH PPS final rule did not properly reflect one of the following for 50 providers:

- Withdrawal or termination of a Medicare Geographic Classification Review Board (MGCRB) reclassification for FY 2016.

- Assignment to the reclassified CBSA approved by the MGCRB or CMS Administrator.

As a result of the MS-DRG reclassification and recalibration budget neutrality adjustment factor error, the ECI error, and reclassification error, we are making conforming technical changes to tables on pages 49787 and 49788. The technical errors discussed previously (the percentage change in the ECI error, MS-DRG reclassification and recalibration budget neutrality adjustment factor error, and reclassification error) directly affected and required the recalculation of the wage index, the recalculation of certain budget neutrality adjustments, and also indirectly resulted in errors to other factors and rates. Specifically, on pages 49777, 49778, 49787, and 49788, we are making conforming corrections to the following:

- The rural floor budget neutrality adjustment.
- The wage index transition budget neutrality adjustment.

- The Rural Community Hospital Demonstration program budget neutrality adjustment.

In addition, as discussed in section II.D. of this correcting document, we are making corrections to the uncompensated care payments. As a result of these errors (the percentage change in the ECI error, MS-DRG reclassification and recalibration budget neutrality adjustment factor error, reclassification error, and uncompensated care error) and conforming corrections, on page 49785, we are making conforming corrections to the calculation of the outlier fixed-loss cost threshold and the national and Puerto Rico-specific outlier budget neutrality factors. We are making further conforming corrections to the tables on pages 49787 and 49788 as a result of these changes, including conforming corrections in the calculation of the national and Puerto Rico specific operating standardized amounts, as a result of the conforming corrections to the operating IPPS budget neutrality factors and outlier threshold described previously.

On pages 49791, 49793, 49794, and 49795, in our discussion of the determination of the Federal hospital inpatient capital related prospective payment rate update, we are making conforming corrections to the national GAF/MS-DRG budget neutrality adjustment factor (due to the errors in our calculation of the GAFs, which are computed from the wage index) and to the outlier threshold, and outlier budget neutrality adjustment factors (as discussed previously).

Also, as a result of these errors, on page 49794, we are making conforming corrections in the table showing the comparison of factors and adjustments for the FY2015 capital Federal rate and FY 2016 capital Federal rate and in the table showing the comparison of factors and adjustments for the proposed FY 2016 capital Federal rate and final FY 2016 capital Federal rate.

On page 49804, in our discussion regarding LTCH PPS high-cost outlier payments for site neutral payment rate cases, we are making conforming corrections in the FY 2016 fixed-loss

amount for site neutral cases, due to the conforming correction to the IPPS outlier fixed-loss cost threshold for FY 2016 (as discussed previously).

On page 49808, we are correcting the information on how to access the LTCH PPS tables for the FY 2016 final rule on the CMS Web site.

On page 49809, we are making conforming corrections to the national and Puerto Rico specific operating standardized amounts and capital standard Federal payment rates in Tables 1A, 1B, 1C, and 1D as a result of the corrections to certain budget neutrality factors and the outlier threshold (as described previously).

C. Summary of Errors in the Appendices

On page 49809, we are correcting our estimate of the increase in FY 2016 operating payments and capital payments as a result of the technical errors that led to corrections to certain budget neutrality factors and the outlier threshold (as described previously). On pages 49813 through 49821, 49823, 49828 through 49830, and 49840, in our regulatory impact analyses, we are making conforming corrections in the discussion of the analysis of the changes in operating and capital IPPS payments for FY 2016 and the effects of certain budget neutrality factors as a result of the technical errors (as discussed previously) that lead to conforming corrections to the calculation of the operating and capital IPPS budget neutrality factors, outlier threshold, operating standardized amounts, and capital Federal rates.

On page 49823, in the table titled "Modeled Disproportionate Share Hospital Payments for Estimated FY 2016 DSH Hospitals by Hospital Type: Model DSH \$ (In Millions) From FY 2015 To FY 2016" and the accompanying discussion, we made technical and formatting errors in the estimated impacts resulting from inadvertent errors in the calculation of Factor 3 for

certain hospitals.

On pages 49829 through 49830, we are making conforming corrections to Table III--- Comparison of Total Payments Per Case (FY 2015 Payments Compared to FY 2016 Payments).

On page 49841, we are making conforming corrections to the accounting statements and tables for acute care hospitals that arose from the corrections of errors as described in section II.B. of this correcting document.

D. Summary of Errors in and Corrections to Files and Tables Posted on the CMS Website

1. Errors and Corrections to IPPS and LTCH PPS Tables

We are correcting the errors in the following IPPS tables that are listed on page 49808 of the FY 2016 IPPS/LTCH PPS final rule and are available on the Internet on the CMS Web site at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page.html>:

Table 2.--Final Case-Mix Index and Wage Index Table by CCN, because of the ECI error discussed in section II.A. of this correction document, we are correcting the values in the columns titled FY 2016 Wage Index, Average Hourly Wage FY 2016, and 3-Year Average Hourly Wage (2014, 2015, 2016) for 4 providers located in CBSAs 04, 20, and 12620. Because the average hourly wage changed for these four providers which affects the area wage index, we are also correcting the FY 2016 wage indexes for other providers geographically located in, or reclassified into, CBSAs 04, 20, and 12620.

As discussed in section II.B. of this correcting document, we are also correcting the reclassification status of 50 providers. Thus, we are correcting the FY 2016 wage index values for these providers to reflect assignment to their geographic CBSAs or reclassified CBSAs, as

applicable.

Furthermore, because we are revising the national rural floor budget neutrality adjustment as discussed in section II.B. of this correcting document, the wage index values for numerous providers in Table 2 are corrected as well.

Table 3.--Final Wage Index Table by CBSA, by correcting the ECI error, we are making corresponding changes to the wage indexes and GAFs of CBSAs 04, 20, and 12620 listed in Table 3. Specifically, we are correcting the values in the columns titled FY 2016 Average Hourly Wage, 3-Year Average Hourly Wage (2014, 2015, 2016), Wage Index, Reclassified Wage Index, GAF, and Reclassified GAF, for CBSAs 04, 20, and 12620.

Also, by correcting Table 2 to properly indicate the withdrawal, termination, or reclassification status of the 50 providers, we are making corresponding changes to the wage indexes and GAFs listed in Table 3. Specifically, we are correcting the values in the columns titled Wage Index, Reclassified Wage Index, GAF, and Reclassified GAF. Furthermore, because we are revising the national rural floor budget neutrality adjustment as discussed in section II.B. of this correcting document, we are making corrections to the wage index values for numerous CBSAs in Table 3 as well.

Table 5.--List of Medicare Severity Diagnosis-Related Groups (MS-DRGs), Relative Weighting Factors, and Geometric and Arithmetic Mean Length of Stay--FY 2016, in the column labeled 'TYPE', to be consistent with previous fiscal years, we are revising the entries labeled 'P' to SURG and the entries labeled 'M' to MED.

Table 10.—New Technology Add-On Payment Thresholds for Applications for FY 2017. We are correcting the thresholds in this table as a result of the corrections to the operating

standardized amounts discussed in section II.B. of this correcting document.

Table 11.—MS—LTC—DRGs, Relative Weights, Geometric Average Length of Stay, Short Stay Outlier (SSO) Threshold, and "IPPS Comparable Threshold" for LTCH PPS Discharges Occurring from October 1, 2015 through September 30, 2016. We are correcting this table by correcting typographical errors for certain MS-LTC-DRGs in the columns titled "Relative Weight," "Geometric Average Length of Stay," "Short-Stay Outlier (SSO) Threshold," and "IPPS Comparable Threshold."

Table 12A.—LTCH PPS Wage Index for Urban Areas for Discharges Occurring From October 1, 2015 through September 30, 2016. We are correcting this table by correcting the values in the column titled "LTCH PPS Wage Index" as result of the error in the miscalculation percentage change in the ECI, which affected the wage data for CBSA 12620, as discussed in section II.A. of this correcting document.

Table 12B.—LTCH PPS Wage Index for Rural Areas for Discharges Occurring From October 1, 2015 through September 30, 2016. We are correcting this table by correcting the values in the column titled "LTCH PPS Wage Index" as result of the technical error in the percentage change in the ECI, which affected the wage data for CBSAs 04 and 20, as discussed in section II.A. of this correcting document.

Table 14.—List of Hospitals with Fewer Than 1,600 Medicare Discharges Based on the March 2015 Update of the FY 2014 MedPAR File and Potentially Eligible Hospitals for the FY 2016 Low-Volume Hospital Payment Adjustment (Eligibility for the low-volume hospital payment adjustment is also dependent upon meeting the mileage criteria specified at § 412.101(b)(2)(ii)). We are correcting this table by correcting typographical and technical

errors for certain hospitals in the column titled "FY 2016 Low-Volume Payment Adjustment (Percentage Add-on).

Table 18.—FY 2016 Medicare DSH Uncompensated Care Payment Factor 3 and Projected DSH Eligibility. For the FY 2016 IPPS/LTCH PPS final rule, we published a list of hospitals that we identified to be subsection(d) hospitals and subsection(d) Puerto Rico hospitals eligible to receive empirically justified Medicare DSH payment adjustments and uncompensated care payments for FY 2016. We also published, in the Supplemental Medicare DSH File located in the FY 2016 IPPS/LTCH PPS final rule data files page at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page-Items/FY2016-IPPS-Final-Rule-Data-Files.html>, the data used to calculate each hospital's Factor 3, total uncompensated care payment, and uncompensated care payment per discharge. Shortly after the publication of the FY2016 IPPS/LTCH PPS final rule, we discovered that in calculating Factor 3 of the uncompensated care payment methodology, we inadvertently excluded the Medicaid days from the most recently available 2012 or 2011 cost report for certain providers that were projected to receive Medicare DSH in FY 2016. As a result, these providers had no Medicaid days included in the calculation of Factor 3. In order to correct these errors, we have Factor 3 for all hospitals to incorporate the changes to the data for these providers whose Medicare hospital cost report data were inadvertently excluded. These corrections to the uncompensated care payments impacted the calculation of the outlier fixed-loss cost threshold for outlier payments.

In addition, we discovered that we had--

- Inadvertently calculated Factor 3 for several providers using Medicaid days from a

cost report that was less than a full year when a cost report that was a full year or closer to being a full year was available;

- Erroneously provided Factor 3 values for certain new providers; and
- Calculated a Factor 3 for a hospital that has ceased operations.

We are revising Factor 3 for all hospitals to correct these errors; however, unlike the error in which Medicaid days for certain providers were excluded, the impacts of these three errors (specified in the bulleted list) are too small to change other aspects of the IPPS ratesetting, such as the calculation of the fixed-loss threshold for outlier payments.

III. Waiver of Proposed Rulemaking and Delay in Effective Date

We ordinarily publish a notice of proposed rulemaking in the **Federal Register** to provide a period for public comment before the provisions of a rule take effect in accordance with section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). However, we can waive this notice and comment procedure if the Secretary finds, for good cause, that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and incorporates a statement of the finding and the reasons therefore in the notice.

Section 553(d) of the APA ordinarily requires a 30-day delay in effective date of final rules after the date of their publication in the **Federal Register**. This 30-day delay in effective date can be waived, however, if an agency finds for good cause that the delay is impracticable, unnecessary, or contrary to the public interest, and the agency incorporates a statement of the findings and its reasons in the rule issued.

We believe that this correcting document does not constitute a rule that would be subject to the APA notice and comment or delayed effective date requirements. This correcting

document corrects technical and typographic errors in the preamble, addendum, payment rates, tables, and appendices included or referenced in the FY 2016 IPPS/LTCH PPS final rule but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, this correcting document is intended to ensure that the information in the FY 2016 IPPS/LTCH PPS final rule accurately reflects the policies adopted in that final rule.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2016 IPPS/LTCH PPS final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply implementing correctly the policies that we previously proposed, received comment on, and subsequently finalized. This correcting document is intended solely to ensure that the FY 2016 IPPS/LTCH PPS final rule accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors

In FR Doc. 2015-19049 of August 17, 2015 (80 FR 49325), we are making the following corrections:

A. Corrections of Errors in the Preamble

1. On page 49412, first column, third bulleted paragraph, the phrase "MS-DRG 007" is corrected to read "MS-DRG 207".
2. On page 49492, first column, after the first partial paragraph, in the table titled "Midpoint of Cost Reporting Period", last entry (After 03/14/2013) is corrected to read as follows:

MIDPOINT OF COST REPORTING PERIOD

After	Before	Adjustment Factor
03/14/2013	04/15/2013	0.99851

3. On page 49498, first column, second full paragraph, line 9, the figure "21" is corrected to read "19".
3. On page 49498, second column, first partial paragraph, line 13, the figure "1.0194" is corrected to read "1.0190".
4. On page 49619, third column, third full paragraph, line 4, the figure "22,544" is corrected to read "22,539".

B. Correction of Errors in the Addendum

1. On page 49776:
 - a. First column:
 - (1) Fourth full paragraph, line 3, the figure ""0.998399" is corrected to read "0.998405".
 - (2) Fourth full paragraph, line 8, the figure "0.998399" is corrected to read "0.998405".
 - (3) Fifth full paragraph, line 16, the figure "0.998399" is corrected to read "0.998405".
 - b. Second column, third full paragraph:
 - (1) Line 9, the figure "0.998749" is corrected to read "0.998738".

(2) Line 13, the figure "0.998399" is corrected to read "0.998405".

(3) Line 15, the figure "0.998749" is corrected to read "0.998738".

(4) Line 21, the figure "0.997150" is corrected to read "0.997145".

c. Third column, third full paragraph, line 12, the figure "0.987905" is corrected to read "0.988168".

2. On page 49777, second column, last paragraph, line 3, the figure "0.990298" is corrected to read "0.989859".

3. On page 49778:

a. First column, second full paragraph:

(1) Line 3, the figure "0.999996" is corrected to read "0.999997".

(2) Line 6, the figure "0.999996" is corrected to read "0.999997".

b. Third column, last paragraph, line 36, the figure "0.999861" is corrected to read "0.999837".

4. On page 49785:

a. Top third of the page, second column, first full paragraph, last line, the figure "22,544" is corrected to read "22,539".

b. Middle of the page, the untitled table, is corrected to read as follows:

	Operating Standardized Amounts	Capital Federal Rate
National	0.948999	0.936503
Puerto Rico	0.935570	0.919204

5. On pages 49787 and 49788, the table titled "Comparison of FY 2015 Standardized Amounts to the FY 2016 Standardized Amounts", is corrected to read as follows:

**COMPARISON OF FY 2015 STANDARDIZED AMOUNTS TO THE FY 2016
STANDARDIZED AMOUNTS**

	Hospital Submitted Quality Data and is a Meaningful EHR User	Hospital Submitted Quality Data and is NOT a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User
FY 2015 Base Rate after removing: 1. FY 2015 Geographic Reclassification Budget Neutrality (0.990429) 2. FY 2015 Rural Community Hospital Demonstration Program Budget Neutrality (0.999313) 3. Cumulative FY 2008, FY 2009, FY 2012, FY 2013 and FY 2014, FY 2015 Documentation and Coding Adjustment as Required under Sections 7(b)(1)(A) and 7(b)(1)(B) of Pub. L. 110-90 and Documentation and Coding Recoupment Adjustment as required under Section 631 of the American Taxpayer Relief Act of 2012 (0.9329) 4. FY 2015 Operating Outlier Offset (0.948999) 5. FY 2015 New Labor Market Delineation Wage Index Transition Budget Neutrality Factor (0.998854)	If Wage Index is Greater Than 1.0000: Labor (69.6%): \$4,324.23 Nonlabor (30.4%): \$1,888.74	If Wage Index is Greater Than 1.0000: Labor (69.6%): \$4,324.23 Nonlabor (30.4%): \$1,888.74	If Wage Index is Greater Than 1.0000: Labor (69.6%): \$4,324.23 Nonlabor (30.4%): \$1,888.74	If Wage Index is Greater Than 1.0000: Labor (69.6%): \$4,324.23 Nonlabor (30.4%): \$1,888.74
	If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$3,852.04 Nonlabor (38%): \$2,360.93	If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$3,852.04 Nonlabor (38%): \$2,360.93	If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$3,852.04 Nonlabor (38%): \$2,360.93	If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$3,852.04 Nonlabor (38%): \$2,360.93
FY 2016 Update Factor	1.017	1.005	1.011	0.999
FY 2016 MS-DRG Recalibration and Wage Index Budget Neutrality Factor	0.997145	0.997145	0.997145	0.997145
FY 2016 Reclassification Budget Neutrality Factor	0.988168	0.988168	0.988168	0.988168
FY 2016 Rural Community Demonstration Program Budget Neutrality Factor	0.999837	0.999837	0.999837	0.999837
FY 2016 Operating Outlier Factor	0.948999	0.948999	0.948999	0.948999

	Hospital Submitted Quality Data and is a Meaningful EHR User	Hospital Submitted Quality Data and is NOT a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User
Cumulative Factor: FY 2008, FY 2009, FY 2012, FY 2013, FY 2014, FY 2015 and FY 2016 Documentation and Coding Adjustment as Required under Sections 7(b)(1)(A) and 7(b)(1)(B) of Pub. L. 110-90 and Documentation and Coding Recoupment Adjustment as required under Section 631 of the American Taxpayer Relief Act of 2012	0.9255	0.9255	0.9255	0.9255
FY 2016 New Labor Market Delineation Wage Index 3-Year Hold Harmless Transition Budget Neutrality Factor	0.999997	0.999997	0.999997	0.999997
National Standardized Amount for FY 2016 if Wage Index is Greater Than 1.0000; Labor/Non-Labor Share Percentage (69.6/30.4)	Labor: \$3,805.30 Nonlabor: \$1,662.09	Labor: \$3,760.40 Nonlabor: \$1,642.48	Labor: \$3,782.85 Nonlabor: \$1,652.28	Labor: \$3,737.95 Nonlabor: \$1,632.67
National Standardized Amount for FY 2016 if Wage Index is less Than or Equal to 1.0000; Labor/Non-Labor Share Percentage (62/38)	Labor: \$3,389.78 Nonlabor: \$2,077.61	Labor: \$3,349.79 Nonlabor: \$2,053.09	Labor: \$3,369.78 Nonlabor: \$2,065.35	Labor: \$3,329.78 Nonlabor: \$2,040.84

6. On page 49788, in the center of the page, the table titled "Comparison of FY 2015 Puerto Rico-Specific Payment Rate to the FY 2016 Puerto Rico-Specific Payment Rate" is corrected to read as follows:

COMPARISON OF FY 2015 PUERTO RICO-SPECIFIC PAYMENT RATE TO THE FY 2016 PUERTO RICO-SPECIFIC PAYMENT RATE

	Update (1.7 percent); Wage index is greater than 1.0000; Labor/Non-Labor Share Percentage (63.2/36.8)	Update (1.7 percent); Wage index is less than or equal to 1.0000; Labor/Non-Labor Share Percentage (62/38)
FY 2015 Puerto Rico Base Rate,		

	Update (1.7 percent); Wage index is greater than 1.0000; Labor/Non-Labor Share Percentage (63.2/36.8)	Update (1.7 percent); Wage index is less than or equal to 1.0000; Labor/Non-Labor Share Percentage (62/38)
after removing: 1. FY 2015 Geographic Reclassification Budget Neutrality (0.990429) 2. FY 2015 Rural Community Hospital Demonstration Program Budget Neutrality (0.999313) 3. FY 2015 Puerto Rico Operating Outlier Offset (0.926334) 4. FY 2015 New Labor Market Delineation Wage Index Transition Budget Neutrality Factor (0.998854)	Labor: \$1,758.02 Nonlabor: \$1,023.66	Labor: \$1,724.64 Nonlabor: \$1,057.04
FY 2016 Update Factor	1.017	1.017
FY 2016 MS-DRG Recalibration Budget Neutrality Factor	0.998405	0.998405
FY 2016 Reclassification Budget Neutrality Factor	0.988168	0.988168
FY 2016 Rural Community Hospital Demonstration Program Budget Neutrality Factor	0.999837	0.999837
FY 2016 New Labor Market Delineation Wage Index 3-Year Hold Harmless Transition Budget Neutrality Factor	0.999997	0.999997
FY 2016 Puerto Rico Operating Outlier Factor	0.935570	0.935570
Puerto Rico-Specific Payment Rate for FY 2016	Labor: \$1,650.00 Nonlabor: \$960.77	Labor: \$1,618.68 Nonlabor: \$992.09

7. On page 49790, first column, last paragraph, line 15, the figure "0.998399" is corrected to read "0.998405".

8. On page 49791, third column, first full paragraph, line 6, the figure "0.85" is corrected to read "0.87".

- 9. On page 49793:
 - a. Second column:
 - (1) First full paragraph:
 - (a) Line 16, the figure "0.9979" is corrected to read "0.9982".
 - (b) Line 19, the figure "0.9864" is corrected to read "0.9866".
 - (2) Second full paragraph, line 17, the figure "0.9858" is corrected to read "0.9860".
 - b. In third column:
 - (1) Second full paragraph:
 - (a) Line 2, the figure "0.9973" is corrected to read "0.9976".
 - (b) Line 4, the figure "0.9979" is corrected to read "0.9982".
 - (2) Third full paragraph:
 - (a) Line 9, the figure "438.65" is corrected to read "438.75".
 - (b) Line 19, the figure "0.9973" is corrected to read "0.9976".
- 10. On page 49794:
 - a. Third column, first partial paragraph:
 - (1) Line 3, the figure "0.27" is corrected to read "0.24".
 - (2) Line 10, the figure "0.85" is corrected to read "0.87".

b. The table titled entitled "Comparison of Factors and Adjustments: FY 2015 Capital Federal Rate and FY 2016 Capital Federal Rate" is corrected to read as follows:

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2015 CAPITAL FEDERAL RATE AND FY 2016 CAPITAL FEDERAL RATE

	FY 2015	FY 2016	Change	Percent Change
Update Factor ¹	1.0150	1.0130	1.0130	1.3

GAF/DRG Adjustment Factor ¹	0.9993	0.9976	0.9976	-0.24
Outlier Adjustment Factor ²	0.9382	0.9365	0.9982	-0.18
Capital Federal Rate	\$434.97	\$438.75	1.0087	0.87

¹ The update factor and the GAF/DRG budget neutrality adjustment factors are built permanently into the capital Federal rates. Thus, for example, the incremental change from FY 2015 to FY 2016 resulting from the application of the 0.9976 GAF/DRG budget neutrality adjustment factor for FY 2016 is a net change of 0.9976 (or -0.24 percent).

² The outlier reduction factor is not built permanently into the capital Federal rate; that is, the factor is not applied cumulatively in determining the capital Federal rate. Thus, for example, the net change resulting from the application of the FY 2016 outlier adjustment factor is 0.9365/0.9382, or 0.9982 (or -0.18 percent).

c. The table titled entitled "Comparison of Factors and Adjustments: Proposed FY 2016

Capital Federal Rate and Final FY 2016 Capital Federal Rate" is corrected to read as follows:

COMPARISON OF FACTORS AND ADJUSTMENTS: PROPOSED FY 2016 CAPITAL FEDERAL RATE AND FINAL FY 2016 CAPITAL FEDERAL RATE

	Proposed FY 2016	Final FY 2016	Change	Percent Change
Update Factor	1.0130	1.0130	1.0000	0.00
GAF/DRG Adjustment Factor	0.9976	0.9976	1.0000	0.00
Outlier Adjustment Factor	0.9357	0.9365	1.0008	0.08
Capital Federal Rate	\$438.40	\$438.75	1.0008	0.08

11. On page 49795, first column:

- a. First paragraph, line 7, the figure "212.56" is corrected to read "212.55".
- b. Third paragraph, line 21, the figure "22,544" is corrected to read "22,539".

12. On page 49804, second column, first full paragraph:

- a. Line 16, the figure "22,544" is corrected to read "22,539".
- b. Line 27, the figure "22,544" is corrected to read "22,539".

13. On page 49808, third column, first full paragraph, lines 6 and 7, the phrase

"index.html under the list item for Regulation Number" is corrected to read "index.html. Click on the link on the left side of the screen titled, "LTCHPPS Regulations and Notices" and select the list item for Regulation Number CMS-1632-F. "

13. On page 49809:

a. Table 1A titled "National Adjusted Operating Standardized Amounts, Labor/Nonlabor (69.6 Percent Labor Share/30.4 Percent Nonlabor Share if Wage Index is Greater than 1)--FY 2016" is corrected to read as follows:

TABLE 1A.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR (69.6 PERCENT LABOR SHARE/30.4 PERCENT NONLABOR SHARE IF WAGE INDEX IS GREATER THAN 1)--FY 2016

Hospital Submitted Quality Data and is a Meaningful EHR User (Update = 1.7 Percent)		Hospital Did NOT Submit Quality Data and is a Meaningful EHR User (Update = 1.1 Percent)		Hospital Submitted Quality Data and is NOT a Meaningful EHR User (Update = 0.5 Percent)		Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User (Update = -0.1 Percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$3,805.30	\$1,662.09	\$3,782.85	\$1,652.28	\$3,760.40	\$1,642.48	\$3,737.95	\$1,632.67

b. Table 1B titled "National Adjusted Operating Standardized Amounts, Labor/Nonlabor (62 Percent Labor Share/38 Percent Nonlabor Share if Wage Index is Less than or Equal TO 1)--FY 2016" is corrected to read as follows:

TABLE 1B.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR (62 PERCENT LABOR SHARE/38 PERCENT NONLABOR SHARE IF WAGE INDEX IS LESS THAN OR EQUAL TO 1)--FY 2016

Hospital Submitted Quality Data and is a Meaningful EHR User (Update = 1.7 Percent)		Hospital Did NOT Submit Quality Data and is a Meaningful EHR User (Update = 1.1 Percent)		Hospital Submitted Quality Data and is NOT a Meaningful EHR User (Update = 0.5 Percent)		Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User (Update = -0.1 Percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$3,389.78	\$2,077.61	\$3,369.78	\$2,065.35	\$3,349.79	\$2,053.09	\$3,329.78	\$2,040.84

c. Table 1C titled "Adjusted Operating Standardized Amounts for Puerto Rico, Labor/Nonlabor (National: 62 Percent Labor Share/38 Percent Nonlabor Share Because Wage

Index is Less than or Equal to 1; Puerto Rico: 63.2 Percent Labor Share/36.8 Percent Nonlabor Share if Wage Index is Greater Than 1 or 62 Percent Labor Share/38 Percent Nonlabor Share if Wage Index is Less than or Equal to 1—FY 2016" is corrected to read as follows:

TABLE 1C.—ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR (NATIONAL: 62 PERCENT LABOR SHARE/38 PERCENT NONLABOR SHARE BECAUSE WAGE INDEX IS LESS THAN OR EQUAL TO 1; PUERTO RICO: 63.2 PERCENT LABOR SHARE/36.8 PERCENT NONLABOR SHARE IF WAGE INDEX IS GREATER THAN 1 OR 62 PERCENT LABOR SHARE/38 PERCENT NONLABOR SHARE IF WAGE INDEX IS LESS THAN OR EQUAL TO 1—FY 2016

Standardized Amount	Rates if Wage Index is Greater Than 1		Rates if Wage Index is Less Than or Equal to 1	
	Labor	Nonlabor	Labor	Nonlabor
¹ National	Not Applicable	Not Applicable	\$3,389.78	\$2,077.61
Puerto Rico	\$1,650.00	\$960.77	\$1,618.68	\$992.09

¹For FY 2016, there are no CBSAs in Puerto Rico with a national wage index greater than 1.

d. Table 1D titled "Capital Standard Federal Payment Rates—FY 2016" is corrected as follows:

TABLE 1D—CAPITAL STANDARD FEDERAL PAYMENT RATES—FY 2016

	Rate
National	\$438.75
Puerto Rico	\$212.55

C. Corrections of Errors in the Appendices

1. On page 49809, third column, first full paragraph:

a Line 10, the figure "\$378" is corrected to read "\$391".

b Line 12, the figure "\$187" is corrected to read "\$188".

2. On pages 49813 through 49815, the table titled "Impact Analysis of Changes to the IPPS for Operating Costs for FY 2016" is corrected to read as follows:

TABLE I.—IMPACT ANALYSIS OF CHANGES TO THE IPPS FOR OPERATING COSTS FOR FY 2016

	Number of Hospitals ¹	Hospital Rate Update and Documentation and Coding Adjustment (1) ²	FY 2016 Weights and DRG Changes with Application of Recalibration Budget Neutrality (2) ³	FY 2016 Wage Data under New CBSA Designations with Application of Wage Budget Neutrality (3) ⁴	FY 2016 DRG, Rel. Wts., Wage Index Changes with Wage and Recalibration Budget Neutrality (4) ⁵	FY 2016 MGCRB Reclassifications (5) ⁶	Rural and Imputed Floor with Application of National Rural and Imputed Floor Budget Neutrality (6) ⁷	Application of the Frontier Wage Index and Out-Migration Adjustment (7) ⁸	All FY 2016 Changes (8) ⁹
All Hospitals	3,369	0.9	0	0	0	0	0	0.1	0.4
By Geographic Location:									
Urban hospitals	2,533	0.9	0	0	0.1	-0.1	0	0.1	0.4
Large urban areas	1,393	0.9	0.1	0.1	0.2	-0.3	0	0.1	0.4
Other urban areas	1,140	0.9	0	-0.1	-0.2	0.1	0.1	0.2	0.4
Rural hospitals	836	1.3	-0.2	-0.3	-0.5	1.4	-0.3	0.1	0.2
Bed Size (Urban):									
0-99 beds	668	0.9	-0.3	-0.2	-0.4	-0.6	0.1	0.3	0.2
100-199 beds	778	0.9	-0.1	0.1	0.1	0	0.3	0.2	0.4
200-299 beds	445	0.9	0	0	0	0.1	0.1	0.1	0.4
300-499 beds	428	0.9	0	0	0	-0.2	0.1	0.2	0.4
500 or more beds	214	0.9	0.1	0.1	0.2	-0.2	-0.2	0.1	0.4
Bed Size (Rural):									
0-49 beds	329	1.3	-0.2	-0.3	-0.5	0.3	-0.2	0.3	-0.1
50-99 beds	297	1.4	-0.3	-0.2	-0.5	0.8	-0.2	0.1	0.2
100-149 beds	121	1.4	-0.2	-0.2	-0.4	1.7	-0.3	0.2	0.4
150-199 beds	48	1.2	-0.2	-0.4	-0.5	1.9	-0.3	0.1	0.3
200 or more beds	41	1.1	-0.1	-0.5	-0.5	2.5	-0.2	0	0.1
Urban by Region:									
New England	120	0.9	0	0.7	0.8	0.9	2	0.1	0
Middle Atlantic	318	0.9	0.1	0.2	0.3	0.8	-0.4	0.2	1
South Atlantic	407	0.9	0	0.1	0.1	-0.5	-0.4	0.1	0.2
East North Central	396	0.9	0	0	0.1	-0.3	-0.6	0	0.5
East South Central	150	0.9	0	-0.4	-0.4	-0.6	-0.4	0.1	-0.4
West North Central	166	0.9	0	-0.6	-0.5	-0.8	-0.5	0.8	0.3
West South Central	384	0.9	0	-0.5	-0.4	-0.6	-0.5	0	-0.4
Mountain	161	1	-0.1	-0.3	-0.3	0	-0.1	0.2	0.2
Pacific	380	0.9	0	0.4	0.3	-0.2	1.7	0.1	1
Puerto Rico	51	1	0.1	-0.9	-0.7	-1	0.1	0.1	-1.9
Rural by Region:									
New England	22	1.2	-0.1	-0.6	-0.7	1.7	-0.4	0	-0.1
Middle Atlantic	55	1.4	-0.1	0.2	0	0.8	-0.2	0.2	0.2
South Atlantic	128	1.2	-0.2	-0.1	-0.3	2.4	-0.2	0.1	0.6

	Number of Hospitals ¹	Hospital Rate Update and Documentation and Coding Adjustment (1) ²	FY 2016 Weights and DRG Changes with Application of Recalibration Budget Neutrality (2) ³	FY 2016 Wage Data under New CBSA Designations with Application of Wage Budget Neutrality (3) ⁴	FY 2016 DRG, Rel. Wts., Wage Index Changes with Wage and Recalibration Budget Neutrality (4) ⁵	FY 2016 MGCRB Reclassifications (5) ⁶	Rural and Imputed Floor with Application of National Rural and Imputed Floor Budget Neutrality (6) ⁷	Application of the Frontier Wage Index and Out-Migration Adjustment (7) ⁸	All FY 2016 Changes (8) ⁹
East North Central	116	1.4	-0.2	-0.1	-0.4	1	-0.2	0.1	0.9
East South Central	164	0.9	0	-0.7	-0.7	2.5	-0.5	0.1	-1
West North Central	101	1.7	-0.4	-0.2	-0.5	0.2	0	0.3	0.8
West South Central	165	1.2	-0.1	-0.9	-0.9	1.5	-0.3	0.1	-0.8
Mountain	61	1.4	-0.3	-0.1	-0.4	0.2	-0.1	0.2	0.7
Pacific	24	1.4	-0.4	0.1	-0.3	0.7	-0.2	0	1.5
By Payment Classification:									
Urban hospitals	2,476	0.9	0	0	0.1	-0.1	0	0.1	0.4
Large urban areas	1,386	0.9	0.1	0.1	0.2	-0.3	0	0.1	0.4
Other urban areas	1,090	0.9	0	-0.1	-0.1	0.1	0.1	0.2	0.4
Rural areas	893	1.3	-0.2	-0.3	-0.4	1.2	-0.2	0.3	0.3
Teaching Status:									
Nonteaching	2,326	1	-0.1	-0.1	-0.1	0.1	0.2	0.1	0.3
Fewer than 100 residents	794	0.9	0	-0.1	-0.1	-0.1	0	0.2	0.4
100 or more residents	249	0.9	0.2	0.1	0.3	0	-0.2	0.1	0.4
Urban DSH:									
Non-DSH	653	0.9	-0.2	0.1	-0.1	-0.1	0.1	0.2	1.1
100 or more beds	1,593	0.9	0.1	0	0.1	-0.1	0	0.1	0.3
Less than 100 beds	328	0.9	-0.1	0	-0.1	-0.7	0	0.3	0.3
Rural DSH:									
SCH	260	1.6	-0.3	0	-0.4	0	0	0	0.7
RRC	347	1.3	-0.2	-0.3	-0.4	1.6	-0.2	0.4	0.4
100 or more beds	31	0.7	0.1	-0.6	-0.5	2.4	-0.6	0.1	-0.9
Less than 100 beds	157	0.8	0	-0.7	-0.6	1.7	-0.6	0.6	-1.2
Urban teaching and DSH:									
Both teaching and DSH	855	0.9	0.1	0	0.1	-0.1	-0.2	0.1	0.4
Teaching and no DSH	122	0.9	-0.1	0	-0.1	0.5	0.4	0.1	1.3
No teaching and DSH	1,066	0.9	0	0	-0.1	-0.1	0.4	0.1	0.2
No teaching and no DSH	433	0.9	-0.2	0.1	-0.1	-0.4	-0.1	0.2	1.1
Special Hospital Types:									
RRC	189	0.9	-0.1	-0.6	-0.6	2.2	-0.4	0.6	-0.4
SCH	327	1.6	-0.3	-0.1	-0.3	-0.1	-0.1	0	0.8
MDH	150	1.3	-0.3	-0.2	-0.4	0.3	-0.2	0.2	0.6
SCH and RRC	126	1.6	-0.3	-0.1	-0.4	0.4	0	0	0.9
MDH and RRC	13	1.5	-0.3	0	-0.4	0.2	-0.2	0	0.6

	Number of Hospitals ¹	Hospital Rate Update and Documentation and Coding Adjustment (1) ²	FY 2016 Weights and DRG Changes with Application of Recalibration Budget Neutrality (2) ³	FY 2016 Wage Data under New CBSA Designations with Application of Wage Budget Neutrality (3) ⁴	FY 2016 DRG, Rel. Wts., Wage Index Changes with Wage and Recalibration Budget Neutrality (4) ⁵	FY 2016 MGCRB Reclassifications (5) ⁶	Rural and Imputed Floor with Application of National Rural and Imputed Floor Budget Neutrality (6) ⁷	Application of the Frontier Wage Index and Out-Migration Adjustment (7) ⁸	All FY 2016 Changes (8) ⁹
Type of Ownership:									
Voluntary	1,934	0.9	0	0	0	0.1	0	0.2	0.5
Proprietary	879	0.9	0	-0.1	-0.1	-0.1	0.1	0.1	-0.1
Government	529	0.9	0.1	-0.1	0	-0.2	0.1	0.1	0
Medicare Utilization as a Percent of Inpatient Days:									
0-25	533	0.9	0.1	-0.1	0	-0.3	0.2	0	-0.6
25-50	2,134	0.9	0	0	0	0	0	0.2	0.5
50-65	571	1	-0.1	0.1	0	0.6	0	0.2	0.8
Over 65	97	1.1	-0.1	-0.2	-0.4	-0.3	0.3	0.1	0.4
FY 2016 Reclassifications by the Medicare Geographic Classification Review Board:									
All Reclassified Hospitals	789	1	0	-0.1	-0.1	2.4	-0.1	0	0.8
Non-Reclassified Hospitals	2,580	0.9	0	0	0.1	-0.9	0	0.2	0.2
Urban Hospitals Reclassified	509	0.9	0	-0.1	-0.1	2.4	-0.1	0.1	0.9
Urban Nonreclassified Hospitals	1,967	0.9	0	0.1	0.1	-0.9	0.1	0.1	0.2
Rural Hospitals Reclassified Full Year	280	1.2	-0.2	-0.3	-0.5	2.3	-0.3	0	0.4
Rural Nonreclassified Hospitals Full Year	503	1.4	-0.3	-0.3	-0.5	-0.3	-0.2	0.3	0
All Section 401 Reclassified Hospitals:	64	1.4	-0.3	0	-0.2	-0.4	-0.1	1.4	0.6
Other Reclassified Hospitals (Section 1886(d)(8)(B) of the Act)	53	1	-0.1	-0.5	-0.6	3.4	-0.5	0	-0.4
Specialty Hospitals									
Cardiac Specialty Hospitals	14	0.9	0.2	-0.9	-0.6	-1.1	0	0.9	0.7

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 2014, and hospital cost report data are from reporting periods beginning in FY 2013 and FY 2012.

² This column displays the payment impact of the hospital rate update and the documentation and coding adjustment including the 1.7 percent adjustment to the national standardized amount and hospital-specific rate (the estimated 2.4 percent market basket update reduced by the 0.5 percentage point for the multifactor productivity adjustment and the 0.2 percentage point reduction under the Affordable Care Act) and the -0.8 percent documentation and coding adjustment to the national standardized amount.

³ This column displays the payment impact of the changes to the Version 33 GROUPER, the changes to the relative weights and the recalibration of the MS-DRG weights based on FY 2014 MedPAR data in accordance with section 1886(d)(4)(C)(iii) of the Act. This column displays the application of the recalibration budget neutrality factor of 0.998405 in accordance with section 1886(d)(4)(C)(iii) of the Act.

⁴ This column displays the payment impact of the update to wage index data using FY 2012 cost report data and the OMB labor market area delineations based on 2010 Decennial Census data. This column displays the payment impact of the application of the wage budget neutrality factor, which is calculated separately from the recalibration budget neutrality factor, and is calculated in accordance with section 1886(d)(3)(E)(i) of the Act. The wage budget neutrality factor is 0.998738.

⁵ This column displays the combined payment impact of the changes in Columns 2 through 3 and the cumulative budget neutrality factor for MS-DRG and wage changes in accordance with section 1886(d)(4)(C)(iii) of the Act and section 1886(d)(3)(E) of the Act. The cumulative wage and recalibration budget neutrality factor of 0.997145 is the product of the wage budget neutrality factor and the recalibration budget neutrality factor.

⁶ Shown here are the effects of geographic reclassifications by the Medicare Geographic Classification Review Board (MGCRB) along with the effects of the continued implementation of the new OMB labor market area delineations on these reclassifications. The effects demonstrate the FY 2016 payment impact of going from no reclassifications to the reclassifications scheduled to be in effect for FY 2016. Reclassification for prior years has no bearing on the payment impacts shown here. This column reflects the geographic budget neutrality factor of 0.988168.

⁷ This column displays the effects of the rural floor and imputed floor based on the continued implementation of the new OMB labor market area delineations. The Affordable Care Act requires the rural floor budget neutrality adjustment to be 100 percent national level adjustment. The rural floor budget neutrality factor (which includes the imputed floor) applied to the wage index is 0.989859. This column also shows the effect of the 3-year transition for hospitals that were located in urban counties that became rural under the new OMB delineations or hospitals deemed urban where the urban area became rural under the new OMB delineations, with a budget neutrality factor of 0.999997.

⁸ This column shows the combined impact of the policy required under section 10324 of the Affordable Care Act that hospitals located in frontier States have a wage index no less than 1.0 and of section 1886(d)(13) of the Act, as added by section 505 of Pub. L. 108-173, which provides for an increase in a hospital's wage index if a threshold percentage of residents of the county where the hospital is located commute to work at hospitals in counties with higher wage indexes. These are nonbudget neutral policies.

⁹ This column shows the changes in payments from FY 2015 to FY 2016. It reflects the impact of the FY 2016 hospital update and the adjustment for documentation and coding. It also reflects changes in hospitals' reclassification status in FY 2016 compared to FY 2015. It incorporates all of the changes displayed in Columns 1, 4, 5, 6, and 7, (the changes displayed in Columns 2 and 3 are included in Column 4). The sum of these impacts may be different from the percentage changes shown here due to rounding and interactive effects.

3. On page 49816:

a. First column, last paragraph, line 6, the figure "0.998399" is corrected to read "0.998405".

b. Third column, first partial paragraph, line 16, the figure "0.998749" is corrected to read "0.998738".

4. On page 49817:

a. First column, first full paragraph:

(1) Line 9, the figure "0.998749" is corrected to read "0.998738".

(2) Line 11, the figure "0.998399" is corrected to read "0.998405".

(3) Line 18, the figure "0.997150" is corrected to read "0.997145".

b. Second column, first full paragraph, line 6, the figure "0.987905" is corrected to read "0.988168".

c. Third column:

(1) First partial paragraph, line 7, the figure "21" is corrected to read "19".

(2) First full paragraph, line 8, the figure "0.990298" is corrected to read "0.989859".

(3) Last paragraph:

(a) Line 1, the figure "371" is corrected to read "375".

(b) Line 3, the figure "2,998" is corrected to read "2,994".

(c) Line 6, the figure "0.990298" is corrected to read "0.989859".

(d) Line 8, the figure "0.2" is corrected to read "0.3".

5. On page 49818:

a. First column, first partial paragraph:

(1) Line 10, the figure "1.6" is corrected to read "2.0".

(2) Line 16, the figure "0.990298" is corrected to read "0.989859".

(3) Line 17, the figure "\$98" is corrected to read "\$115".

(4) Line 19, the figure "3.1" is corrected to read "3.6".

b. Second column, first full paragraph:

(1) Line 1, the figure "21" is corrected to read "19".

(2) Line 7, the figure "0.990298" is corrected to read "0.989859".

(3) Line 9, the figure "\$27" is corrected to read "\$29".

(4) Line 10, the figure "\$9" is corrected to read "\$10".

(5) Line 18, the figure "\$4.5" is corrected to read "\$4.3".

(6) Line 19, the figure "\$2.6" is corrected to read "\$2.3".

c. Third column, first partial paragraph, line 15, the figure "0.999996" is corrected to read "0.999997".

6. On pages 49818 and 49819, the table titled "FY 2016 IPPS Estimated Payments Due to Rural Floor and Imputed Floor with National Budget Neutrality" is corrected to read as follows:

FY 2016 IPPS ESTIMATED PAYMENTS DUE TO RURAL FLOOR AND IMPUTED FLOOR WITH NATIONAL BUDGET NEUTRALITY

State	Number of Hospitals (1)	Number of Hospitals That Will Receive the Rural Floor or Imputed Floor (2)	Percent Change in Payments due to Application of Rural Floor and Imputed Floor with Budget Neutrality (3)	Difference (in millions) (4)
Alabama	86	3	-0.4	\$-7.08
Alaska	6	1	-0.3	\$-0.53
Arizona	55	5	-0.3	\$-6
Arkansas	46	0	-0.5	\$-4.66
California	303	203	2.2	\$218.44
Colorado	47	5	0.4	\$4.25
Connecticut	31	7	-0.5	\$-8.49
Delaware	6	0	-0.6	\$-2.54
Washington, D.C.	7	0	-0.5	\$-2.48
Florida	170	14	-0.3	\$-19.9
Georgia	105	0	-0.5	\$-12.47
Hawaii	12	1	-0.4	\$-1.16
Idaho	14	0	-0.4	\$-1.21
Illinois	127	2	-0.6	\$-25.22

State	Number of Hospitals (1)	Number of Hospitals That Will Receive the Rural Floor or Imputed Floor (2)	Percent Change in Payments due to Application of Rural Floor and Imputed Floor with Budget Neutrality (3)	Difference (in millions) (4)
Indiana	91	0	-0.5	\$-12.1
Iowa	35	0	-0.5	\$-4.33
Kansas	53	0	-0.4	\$-3.67
Kentucky	65	1	-0.4	\$-7.05
Louisiana	99	3	-0.5	\$-6.67
Maine	20	0	-0.5	\$-2.36
Massachusetts	61	39	3.6	\$114.58
Michigan	96	0	-0.5	\$-22.38
Minnesota	50	0	-0.3	\$-6.33
Mississippi	64	0	-0.5	\$-4.94
Missouri	78	0	-0.4	\$-9.98
Montana	12	2	0.1	\$0.15
Nebraska	26	0	-0.4	\$-2.53
Nevada	24	3	0.2	\$1.63
New Hampshire	13	9	1.2	\$5.91
New Jersey	64	19	0.3	\$10.01
New Mexico	25	0	-0.3	\$-1.41
New York	156	2	-0.6	\$-45.17
North Carolina	84	0	-0.4	\$-14.6
North Dakota	6	0	-0.3	\$-0.83
Ohio	132	6	-0.5	\$-17.56
Oklahoma	86	4	-0.4	\$-4.47
Oregon	34	0	-0.5	\$-4.85
Pennsylvania	153	3	-0.5	\$-22.99
Puerto Rico	51	10	0.1	\$0.14
Rhode Island	11	4	0.6	\$2.29
South Carolina	56	5	-0.2	\$-3.02
South Dakota	19	0	-0.3	\$-1.02
Tennessee	99	10	-0.5	\$-10.2
Texas	318	3	-0.5	\$-30.68
Utah	34	2	-0.4	\$-2.02
Vermont	6	0	-0.3	\$-0.6
Virginia	78	1	-0.4	\$-11.68
Washington	49	6	0	\$0.93
West Virginia	29	2	0.1	\$0.89
Wisconsin	66	0	-0.5	\$-8.19
Wyoming	11	0	-0.2	\$-0.23

7. On page 49819:

a. Second column, last paragraph, line 18, the figure "336" is corrected to read "367".

b. Third column, first partial paragraph, line 8, the figure "\$45" is corrected to read "\$55".

8. On pages 49820 and 49821, the table titled "Table II. Impact Analysis of Changes for FY 2016 Acute Care Hospital Operating Prospective Payment System (Payments per Discharge)" is corrected as follows:

TABLE II.--IMPACT ANALYSIS OF CHANGES FOR FY 2016 ACUTE CARE HOSPITAL OPERATING PROSPECTIVE PAYMENT SYSTEM (PAYMENTS PER DISCHARGE)

	Number of Hospitals (1)	Estimated Average FY 2015 Payment Per Discharge (2)	Estimated Average FY 2016 Payment Per Discharge (3)	FY 2016 Changes (4)
All Hospitals	3,369	11,329	11,372	0.4
By Geographic Location:				
Urban hospitals	2,533	11,680	11,725	0.4
Large urban areas	1,393	12,434	12,484	0.4
Other urban areas	1,140	10,766	10,806	0.4
Rural hospitals	836	8,424	8,442	0.2
Bed Size (Urban):				
0-99 beds	668	9,254	9,276	0.2
100-199 beds	778	9,863	9,902	0.4
200-299 beds	445	10,589	10,636	0.4
300-499 beds	428	11,927	11,973	0.4
500 or more beds	214	14,285	14,340	0.4
Bed Size (Rural):				
0-49 beds	329	7,048	7,043	-0.1
50-99 beds	297	7,972	7,989	0.2
100-149 beds	121	8,290	8,325	0.4
150-199 beds	48	9,109	9,132	0.3
200 or more beds	41	9,996	10,006	0.1
Urban by Region:				
New England	120	12,850	12,853	0
Middle Atlantic	318	13,156	13,283	1
South Atlantic	407	10,387	10,410	0.2
East North Central	396	10,950	11,009	0.5
East South Central	150	9,998	9,958	-0.4
West North Central	166	11,438	11,469	0.3
West South Central	384	10,590	10,548	-0.4
Mountain	161	12,013	12,035	0.2
Pacific	380	14,889	15,039	1
Puerto Rico	51	7,648	7,504	-1.9
Rural by Region:				
New England	22	11,441	11,432	-0.1
Middle Atlantic	55	8,545	8,565	0.2
South Atlantic	128	7,868	7,918	0.6
East North Central	116	8,775	8,853	0.9
East South Central	164	7,524	7,449	-1
West North Central	101	9,280	9,351	0.8
West South Central	165	7,218	7,159	-0.8

	Number of Hospitals (1)	Estimated Average FY 2015 Payment Per Discharge (2)	Estimated Average FY 2016 Payment Per Discharge (3)	FY 2016 Changes (4)
Mountain	61	9,730	9,796	0.7
Pacific	24	11,500	11,671	1.5
By Payment Classification:				
Urban hospitals	2,476	11,700	11,745	0.4
Large urban areas	1,386	12,440	12,490	0.4
Other urban areas	1,090	10,771	10,811	0.4
Rural areas	893	8,687	8,710	0.3
Teaching Status:				
Nonteaching	2,326	9,450	9,480	0.3
Fewer than 100 residents	794	10,999	11,043	0.4
100 or more residents	249	16,424	16,494	0.4
Urban DSH:				
Non-DSH	653	9,946	10,057	1.1
100 or more beds	1,593	12,080	12,115	0.3
Less than 100 beds	328	8,526	8,548	0.3
Rural DSH:				
SCH	260	8,859	8,918	0.7
RRC	347	9,023	9,056	0.4
100 or more beds	31	7,544	7,476	-0.9
Less than 100 beds	157	6,774	6,695	-1.2
Urban teaching and DSH:				
Both teaching and DSH	855	13,217	13,262	0.4
Teaching and no DSH	122	11,161	11,305	1.3
No teaching and DSH	1,066	9,878	9,895	0.2
No teaching and no DSH	433	9,415	9,516	1.1
Special Hospital Types:				
RRC	189	9,449	9,409	-0.4
SCH	327	9,951	10,034	0.8
MDH	150	6,968	7,011	0.6
SCH and RRC	126	10,591	10,691	0.9
MDH and RRC	13	8,621	8,673	0.6
Type of Ownership:				
Voluntary	1,934	11,498	11,560	0.5
Proprietary	879	9,997	9,986	-0.1
Government	529	12,240	12,244	0
Medicare Utilization as a Percent of Inpatient Days:				
0-25	533	14,719	14,625	-0.6
25-50	2,134	11,265	11,322	0.5
50-65	571	9,180	9,252	0.8
Over 65	97	6,883	6,910	0.4
FY 2016 Reclassifications by the Medicare Geographic Classification Review Board:				
All Reclassified Hospitals	789	11,209	11,297	0.8
Non-Reclassified Hospitals	2,580	11,374	11,400	0.2
Urban Hospitals Reclassified	509	11,877	11,982	0.9
Urban Nonreclassified Hospitals	1,967	11,643	11,669	0.2
Rural Hospitals Reclassified Full Year	280	8,829	8,861	0.4

	Number of Hospitals (1)	Estimated Average FY 2015 Payment Per Discharge (2)	Estimated Average FY 2016 Payment Per Discharge (3)	FY 2016 Changes (4)
Rural Nonreclassified Hospitals Full Year	503	7,931	7,933	0
All Section 401 Reclassified Hospitals:	64	10,427	10,492	0.6
Other Reclassified Hospitals (Section 1886(d)(8)(B) of the Act)	53	7,855	7,828	-0.4
Specialty Hospitals				
Cardiac Specialty Hospitals	14	12,640	12,723	0.7

9. On page 49823:

a. Top of the page:

(1) First column, second partial paragraph, line 1 the figure "2,418" is corrected to read "2,408".

(2) Second column, first partial paragraph, lines 1 and 2, the phrase, "It did not include hospitals in the Rural Community Hospital Demonstration," is corrected to read "It did not include new hospitals, hospitals in the Rural Community Hospital Demonstration,".

b. Lower three-fourths of the page, the table titled "Modeled Disproportionate Share Hospital Payments for Estimated FY 2016 DSH Hospitals by Hospital Type:

Model DSH \$ (In Millions) From FY 2015 to FY 2016" is corrected as follows:

Modeled Disproportionate Share Hospital Payments for Estimated FY 2016 DSH Hospitals by Hospital Type: Model DSH \$ (in millions) from FY 2015 to FY 2016

	(1)	(2)	(3)	(4)
	Number of Estimated FY 2016 DSH Hospitals	FY 2015 Estimated DSH \$*	FY 2016 Estimated DSH \$*	Percentage Change**
Total	2,408	\$10,993	\$9,733	-11.5%
By Geographic Location				
Urban Hospitals	1,886	\$10,453	\$9,258	-11.4%
Large Urban Areas	1,019	\$6,629	\$5,855	-11.7%
Other Urban Areas	867	\$3,823	\$3,403	-11.0%
Rural Hospitals	522	\$540	\$475	-12.1%

	(1)	(2)	(3)	(4)
	Number of Estimated FY 2016 DSH Hospitals	FY 2015 Estimated DSH \$*	FY 2016 Estimated DSH \$*	Percentage Change**
Bed Size (Urban)				
0 to 99 Beds	323	\$211	\$186	-11.7%
100 to 249 Beds	825	\$2,514	\$2,195	-12.7%
250 to 499 Beds	738	\$7,728	\$6,877	-11.0%
Bed Size (Rural)				
0 to 99 Beds	388	\$235	\$208	-11.3%
100 to 249 Beds	120	\$246	\$211	-14.5%
250 to 499 Beds	14	\$59	\$56	-5.6%
Urban by Region				
East North Central	307	\$1,421	\$1,268	-10.8%
East South Central	131	\$649	\$572	-11.8%
Middle Atlantic	230	\$1,804	\$1,603	-11.2%
Mountain	115	\$504	\$447	-11.3%
New England	86	\$440	\$388	-11.9%
Pacific	298	\$1,649	\$1,455	-11.8%
Puerto Rico	39	\$108	\$101	-7.3%
South Atlantic	315	\$2,012	\$1,770	-12.0%
West North Central	104	\$507	\$455	-10.2%
West South Central	261	\$1,357	\$1,198	-11.7%
Rural by Region				
East North Central	66	\$55	\$49	-10.9%
East South Central	146	\$174	\$151	-12.9%
Middle Atlantic	27	\$40	\$34	-14.5%
Mountain	22	\$18	\$16	-13.1%
New England	10	\$17	\$15	-13.7%
Pacific	10	\$6	\$8	35.3%
South Atlantic	88	\$107	\$96	-9.5%
West North Central	37	\$27	\$21	-20.1%
West South Central	116	\$97	\$84	-13.6%
By Payment Classification				
Urban Hospitals	1,854	\$10,448	\$9,204	-11.9%
Large Urban Areas	1,016	\$6,640	\$5,853	-11.9%
Other Urban Areas	838	\$3,809	\$3,351	-12.0%
Rural Hospitals	554	\$545	\$529	-2.8%
Teaching Status				
Nonteaching	1,539	\$3,578	\$3,111	-13.0%
Fewer than 100 residents	629	\$3,585	\$3,190	-11.0%
100 or more residents	240	\$3,831	\$3,432	-10.4%
Type of Ownership				
Voluntary	1,382	\$6,770	\$6,025	-11.0%
Proprietary	539	\$1,904	\$1,660	-12.8%
Government	485	\$2,290	\$2,021	-11.7%
Unknown	2	\$30	\$27	-10.4%

SOURCE: Dobson DaVanzo analysis of 2011-2012 Hospital Cost Reports, 2015 Provider of Services File, FY 2015 IPPS Final Rule CN Impact File, and FY 2016 NPRM Impact File.

* Dollar DSH calculated by [0.25 * estimated section 1886(d)(5)(F) payments] + [0.75 * estimated section 1886(d)(5)(F) payments * Factor 2 * Factor 3]. When summed across all hospitals projected to receive DSH payments, the estimated DSH is \$10,993 million in FY 2015 and \$9,733million in FY 2016.

** Percentage change is determined as the difference between Medicare DSH payments modeled for the FY 2016 IPPS/LTCH PPS

final rule (column 3) and Medicare DSH payments modeled for the FY 2015 IPPS/LTCH PPS final rule (column 2) divided by Medicare DSH payments modeled for the FY 2015 final rule (column 3) times 100 percent.

10. On page 49828, in third column, last paragraph, line 4, the figure "0.9973" is corrected to read "0.9976".

11. On page 49829:

a. Second column, last paragraph:

(1) Line 4, the figure "3.1" is corrected to read "3.2"

(2) Line 5, the figure "1.1" is corrected to read "1.3"

b. Third column; last paragraph, last line, the figure "1.1" is corrected to read "1.2".

12. On pages 49829 and 49830, table titled "Table III.—Comparison of Total Payments Per Case [FY 2015 Payments Compared To FY 2016 Payments]" is corrected to read as follows:

**Table III.—Comparison of Total Payments Per Case
[FY 2015 Payments Compared To FY 2016 Payments]**

	Number of Hospitals	Average FY 2015 Payments/Case	Average FY 2016 Payments/Case	Change
By Geographic Location:				
All hospitals	3,369	871	890	2.3
Large urban areas (populations over 1 million).....	1,393	963	987	2.5
Other urban areas (populations of 1 million of fewer)	1,140	833	851	2.1
Rural areas.....	836	591	599	1.4
Urban hospitals.....	2,533	904	925	2.4
0-99 beds.....	668	736	751	1.9
100-199 beds.....	778	788	806	2.2
200-299 beds.....	445	825	844	2.3
300-499 beds.....	428	920	943	2.4
500 or more beds.....	214	1,080	1,106	2.4
Rural hospitals.....	836	591	599	1.4
0-49 beds.....	329	490	497	1.5
50-99 beds.....	297	549	558	1.7
100-149 beds.....	121	591	598	1.2
150-199 beds.....	48	645	652	1.0
200 or more beds.....	41	706	715	1.3
By Region:				
Urban by Region	2,533	904	925	2.4
New England	120	996	1,009	1.3
Middle Atlantic	318	1,001	1,032	3.1
South Atlantic	407	805	823	2.2
East North Central	396	868	889	2.3
East South Central	150	768	780	1.6
West North Central	166	887	902	1.6
West South Central	384	817	835	2.1
Mountain.....	161	936	956	2.1
Pacific	380	1,150	1,187	3.2
Puerto Rico	51	403	408	1.4
Rural by Region	836	591	599	1.4
New England	22	822	828	0.7
Middle Atlantic	55	580	582	0.3
South Atlantic	128	554	567	2.3
East North Central	116	616	626	1.6
East South Central	164	536	542	1.1
West North Central	101	635	643	1.3
West South Central	165	524	524	0.1
Mountain.....	61	660	674	2.1
Pacific	24	768	791	3.0
By Payment Classification:				
All hospitals	3,369	871	890	2.3
Large urban areas (populations over 1 million).....	1,386	964	988	2.5
Other urban areas (populations of 1 million of fewer)	1,090	837	855	2.2
Rural areas.....	893	608	615	1.1
Teaching Status:				
Non-teaching.....	2,326	739	754	2.1
Fewer than 100 Residents	794	848	866	2.2
100 or more Residents	249	1,227	1,259	2.6

	Number of Hospitals	Average FY 2015 Payments/Case	Average FY 2016 Payments/Case	Change
Urban DSH:				
100 or more beds	1,593	928	950	2.4
Less than 100 beds	328	662	677	2.2
Rural DSH:				
Sole Community (SCH/EACH)	260	576	580	0.7
Referral Center (RRC/EACH).....	347	639	647	1.2
Other Rural:				
100 or more beds.....	31	575	572	-0.5
Less than 100 beds	157	504	512	1.7
Urban teaching and DSH:				
Both teaching and DSH	855	1,003	1,028	2.5
Urban teaching and DSH:				
Both teaching and DSH	855	1,003	1,028	2.5
Teaching and no DSH.....	122	899	920	2.3
No teaching and DSH	1,066	780	797	2.3
No teaching and no DSH	433	797	816	2.4
Rural Hospital Types:				
Non special status hospitals	2,562	904	926	2.4
RRC/EACH	189	729	737	1.1
SCH/EACH.....	327	665	672	1.1
SCH, RRC and EACH	126	721	733	1.6
Hospitals Reclassified by the Medicare Geographic Classification Review Board:				
FY2016 Reclassifications:				
All Urban Reclassified.....	551	923	949	2.8
All Urban Non-Reclassified.....	1,925	902	922	2.2
All Rural Reclassified	279	623	634	1.8
All Rural Non-Reclassified.....	504	545	551	1.2
Other Reclassified Hospitals (Section 1886(d)(8)(B) of the Act)	46	600	589	-1.9
Type of Ownership:				
Voluntary	1,934	884	904	2.3
Proprietary	879	785	803	2.3
Government	529	917	938	2.4
Medicare Utilization as a Percent of Inpatient Days:				
0-25	533	1,046	1,074	2.7
25-50.....	2,134	876	896	2.3
50-65.....	571	717	731	2.0
Over 65	97	523	534	2.1

13. On page 49840, third column, third paragraph:

- a. Line 11, the figure "\$378" is corrected to read "\$391".
- b. Line 23, the figure "\$75" is corrected to read "\$88".
- c. Line 33, the figure "\$75" is corrected to read "\$88".
- d. Line 34, the figure "\$85" is corrected to read "\$98".
- e. Line 39, the figure "\$187" is corrected to read "\$188".
- f. Line 43, the figure "\$272" is corrected to read "\$285".

14. On page 49841, first column:

- a. Third paragraph, line 3, the figure "\$272" is corrected to read "\$285".
- b. In the table titled "Table V.--Accounting Statement: Classification of

Estimated Expenditures under the IPPS from FY 2015 to FY 2016", the first entry is corrected as follows:

Table V.—Accounting Statement: Classification of Estimated Expenditures Under the IPPS from FY 2015 to FY 2016

Category	Transfers
Annualized Monetized Transfers	-\$285 million

CMS-1632-CN

Dated: September 30, 2015.

Madhura Valverde,

Executive Secretary to the

Department,

Department of Health and Human

Services.

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