By order of the Board of Governor of the Federal Reserve System, October 28, 2008.

Jennifer J. Johnson,

Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–1555–N]

RIN 0938–AP20

Medicare Program; Home Health Prospective Payment System Rate Update for Calendar Year 2009

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

ACTION: Notice.

SUMMARY: This notice sets forth an update to the 60-day national episode rates and the national per-visit amounts under the Medicare prospective payment system for home health services, effective on January 1, 2009.

DATES: *Effective Date:* This notice is effective on January 1, 2009.

FOR FURTHER INFORMATION CONTACT: Randy Throndset, (410) 786–0131.

I. Background

A. Requirements of the Balanced Budget Act of 1997 for Establishing the Prospective Payment System for Home Health Services

The Balanced Budget Act of 1997 (BBA) (Pub. L. 105–33) enacted on August 5, 1997, significantly changed the way Medicare pays for Medicare home health services. Section 4603 of the BBA mandated the development of the home health prospective payment system (HH PPS). Until the implementation of a HH PPS on October 1, 2000, home health agencies (HHAs) received payment under a cost-based reimbursement system.

Section 4603(a) of the BBA mandated the development of a HH PPS for all Medicare-covered home health services provided under a plan of care that were paid on a reasonable cost basis by adding section 1895 of the Social Security Act (the Act), entitled ''Prospective Payment For Home Health Services''. Section 1895(b)(1) of the Act requires the Secretary to establish a HH PPS for all costs of home health services paid under Medicare.

Section 1895(b)(3)(A) of the Act requires that (1) the computation of a standard prospective payment amount include all costs for home health services covered and paid for on a reasonable cost basis and be initially based on the most recent audited cost report data available to the Secretary, and (2) the prospective payment amounts be standardized to eliminate the effects of case-mix and wage levels among HHAs.

Section 1895(b)(3)(B) of the Act addresses the annual update to the standard prospective payment amounts by the home health applicable increase percentage as specified in the statute.

Section 1895(b)(4) of the Act governs the payment computation. Sections 1895(b)(4)(A)(i) and (b)(4)(A)(ii) of the Act require the standard prospective payment amount to be adjusted for case-mix and geographic differences in wage levels.

Section 1895(b)(4)(B) of the Act requires the establishment of an appropriate case-mix change adjustment factor that adjusts for significant variation in costs among different units of services.

Similarly, section 1895(b)(4)(C) of the Act requires the establishment of wage adjustment factors that reflect the relative level of wages, and wage-related costs applicable to home health services furnished in a geographic area compared to the applicable national average level. These wage-adjustment factors may be used by the Secretary for the different geographic wage levels for purposes of section 1886(d)(3)(E) of the Act.

Section 1895(b)(5) of the Act gives the Secretary the option to make additions or adjustments to the payment amount otherwise paid in the case of outliers because of unusual variations in the type or amount of medically necessary care. Total outlier payments in a given fiscal year (FY) may not exceed 5 percent of total payments projected or estimated.

In accordance with the statute, we published a final rule (65 FR 41128) in the **Federal Register** on July 3, 2000 to implement the HH PPS legislation. The July 2000 final rule established requirements for the new HH PPS for home health services as required by section 4603 of the BBA, as subsequently amended by section 5101 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (OCESAA) for Fiscal Year 1999, (Pub. L. 105–277), enacted on October 21, 1998; and by sections 302, 305, and 306 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act (BBRA) of 1999, (Pub. L. 106–113), enacted on November 29, 1999. The requirements include the implementation of a HH PPS for home health services, consolidated billing requirements, and a number of other related changes. The HH PPS described in that rule replaced the retrospective reasonable cost-based system that was used by Medicare for the payment of home health services under Part A and Part B.

For a complete and full description of the HH PPS as required by the BBA, see the July 2000 HH PPS final rule (65 FR 41128 through 41214).

B. Deficit Reduction Act of 2005

On February 8, 2006, the Deficit Reduction Act of 2005 (Pub. L. 109–171) (DRA) was enacted. This legislation affected updates to HH payment rates for calendar year (CY) 2006. The DRA also required HHAs to submit home health care quality data and created a linkage between those data and payment, beginning in CY 2007.

Specifically, section 5201 of the DRA changed the CY 2006 update from the applicable home health market basket percentage increase minus 0.8 percentage points to a 0 percent update. In addition, section 5201 of the DRA amends section 421(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108–173, enacted on December 8, 2003). The amended section 421(a) of the MMA requires that for home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act) on or after January 1, 2006 and before January 1, 2007, that the Secretary increase the payment amount otherwise made under section 1895 of the Act for home health services by 5 percent. The statute waives budget neutrality for purposes of this increase since it specifically states that the Secretary must not reduce the standard prospective payment amount (or amounts) under section 1895 of the Act applicable to home health services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.

The 0 percent update to the payment rates and the rural add-on provisions of the DRA were implemented through a CMS transmittal (Pub. 100–20, One Time Notification, Transmittal 211) issued on February 10, 2006.

In addition, section 5201 of the DRA requires HHAs to submit data for purposes of measuring health care quality, and links the quality data submission to payment. This requirement is applicable for CY 2007 and each subsequent year. If an HHA does not submit quality data, the home health market basket percentage increase will be reduced 2 percentage points. In accordance with the statute,

we published a final rule (71 FR 65884, 65935) in the **Federal Register** on November 9, 2006 to implement the pay-for-reporting requirement of the DRA, codified at 42 CFR 484.225(h) and (i). In addition, the November 2006 final rule ended the 1-year transition period that consisted of a blend of 50 percent of the new area labor market designations' wage index and 50 percent of the previous area labor market designations' wage index. We also revised the fixed dollar loss ratio, which is used in the calculation of outlier payments.

C. System for Payment of Home Health Services

Generally, Medicare makes payment under the HH PPS on the basis of a national standardized 60-day episode payment rate that is adjusted for the applicable case-mix and wage index. The national standardized 60-day episode payment rate includes the six home health disciplines (skilled nursing, home health aide, physical therapy, speech-language pathology, occupational therapy, and medical social services) and non-routine medical supplies. Durable medical equipment covered under home health is paid for outside the HH PPS payment. To adjust for case-mix, the HH PPS uses a 153-category case-mix classification to assign patients to a home health resource group (HHRG). Clinical needs, functional status, and service utilization are computed from responses to selected data elements in the OASIS assessment instrument.

For episodes with four or fewer visits, Medicare pays on the basis of a national per-visit amount by discipline; an episode consisting of four or fewer visits within a 60-day period is referred to as a LUPA. Medicare also adjusts the national standardized 60-day episode payment rate for certain intervening events that are subject to a partial episode payment adjustment (PEP adjustment). For certain cases that exceed a specific cost threshold, an outlier adjustment may also be available.

D. Updates to the HH PPS

As required by section 1895(b)(3)(B) of the Act, we have historically updated the HH PPS rates annually in a separate **Federal Register** document. We published a final rule with comment period in the **Federal Register** on August 29, 2007 (72 FR 49762) that set forth a refinement and rate update to the Medicare prospective payment system for home health services. As part of the CY 2008 HH PPS final rule with comment period, we rebased and revised the home health market basket to reflect FY 2003 Medicare cost report data, the latest available and most complete data on the structure of HHA costs. In the rebased and revised home health market basket, the labor-related share was 77.082 (an increase from the previous labor-related share of 76.775). The non-labor-related share is 22.918 (a decrease from the previous nonlabor-related share of 23.225). The increase in the labor-related share using the FY 2003 home health market basket was primarily due to the increase in the benefit cost weight.

The CY 2008 HH PPS final rule with comment period also implemented refinements to the payment system. Extensive research was conducted to investigate ways to improve the performance of the case-mix model. This research was the basis for our decision to refine the case-mix model. We refined the case-mix model to reflect different resource costs for early home health episodes versus later home health episodes and to expand the case-mix variables included in the payment model. For 2008, we used a 4-equation case-mix model that recognizes and differentiates payment for episodes of care based on whether a patient is in an early (1st or 2nd episode in a sequence of adjacent episodes) or later (the 3rd episode and beyond in a sequence of adjacent episodes) episode of care as well as recognizing whether a patient was a high therapy (14 or more therapy visits) or low therapy (13 or fewer therapy visits) case. We defined episodes as adjacent if they were separated by no more than a 60-day period between claims. Analysis of the performance of the case-mix model for later episodes revealed two important differences for episodes occurring later in the home health treatment compared to earlier episodes: Higher resource use per episode and a different relationship between clinical conditions and resource use. We use additional variables to include scores for certain wound and skin conditions; more diagnosis groups such as pulmonary, cardiac, and cancer diagnoses; and certain secondary diagnoses. The 4-equation model results in 153 case-mix groups.

In addition, we replaced the previous single therapy threshold of 10 visits with three therapy thresholds at 6, 14, and 20 visits. The payment for additional therapy visits between the three thresholds increases gradually, incorporating a declining, rather than a constant, amount per added therapy visit. This approach does not reduce total payments to home health providers because the payment model still predicts total resource cost. The combined effect of the new therapy thresholds and payment gradations reduces the undesirable emphasis in treatment planning on a single therapy visit threshold and restores the primacy of clinical considerations in treatment planning for rehabilitation patients.

In the CY 2008 HH PPS final rule with comment period, we further adjusted for case-mix that was not due to a change in the underlying health status of the home health users. Section 1895(b)(3)(B) of the Act requires that in compensating for case-mix change, a payment reduction must be applied to the standardized payment amount. For the CY 2008 HH PPS final rule with comment period, we conducted several analyses to determine if any portion of the total change in case-mix could be considered to be real change. Real change is a change in the underlying health status of the home health user population. The results of the analysis indicated that while a small amount (8.03 percent) of measured case-mix change was real, most of the change was unrelated to the underlying health status of home health users.

Using 100 percent of the home health interim payment system (HH IPS) file for our baseline (12 months ending September 30, 2000), the average case-mix weight per episode was 1.0960. (The HH IPS was the previous cost-based payment system under which HHAs were paid, prior to the HH PPS.) The 2005 20 percent sample file yielded an average CMI (case mix indicator) of 1.2361. Therefore, the change measurement was (1.2361 − 1.0960)/1.0960 = 12.78 percent. We adjusted this result downward by 8.03 percent (the percentage of total change in case-mix considered to be real) to get a final case-mix change measure of 11.75 percent (0.1278 * (1 − 0.0803) = 0.1175). To account for the 11.75 percent increase in case-mix which was not due to a change in the underlying health status of Medicare home health patients, we implemented a 2.75 percent reduction of the national standardized 60-day episode payment rate for 3 years beginning in 2008 and solicited comments on extending that adjustment period to a fourth year based on a 2.71 percent reduction for 2011 (see 72 FR 49833).

Additionally, we modified a number of existing HH PPS payment adjustments. Specifically, we increased the payment for low utilization payment adjustment (LUPA) episodes that occur as the only episode or the initial episode during a sequence of adjacent episodes, by $87.93. We also eliminated the significant change in condition (SCIC)

payment adjustment for various reasons. Specifically, we ended the policy because of the apparent difficulty HHAs had in interpreting the SCIC policy, the association between negative margins and SCIC episodes, the decline in the occurrence of SCICs, and the estimated minimal impact on outlays from eliminating the SCIC policy.

In the development of the HH PPS, non-routine medical supplies (NRS) were accounted for by attributing $49.62 to the standardized episode payment. In the CY 2008 HH PPS final rule with comment period, we applied a severity adjustment to the NRS portion of the HH PPS standardized episode payment. Specifically, we adopted a six-severity-group approach to account for NRS costs (see 72 FR 49851–49852) based on measurable conditions that are feasible to administer. This change offers HHAs some protection against episodes with extremely high NRS costs. Finally, we did not modify the existing Partial Episode Payment (PEP) Adjustment.

Section 1895(b)(5) of the Act also allows for the provision of an addition or adjustment to account for outlier episodes, which are those episodes that incur unusually large costs due to heavy patient care needs. Under the HH PPS, outlier payments are made for episodes for which the estimated cost exceeds a threshold amount. The wage adjusted fixed dollar loss (FDL) amount represents the amount of loss that an agency must bear before an episode becomes eligible for outlier payments. Section 1895(b)(5) of the Act requires that the estimated total outlier payments may not exceed 5 percent of total estimated HH PPS payments. In the CY 2008 HH PPS final rule with comment period, we adjusted the FDL ratio to 0.89, based on the most recently available data, analysis, trends, and unknown effects of the refinements on outliers (see 72 FR 49857).

Finally, we expanded the list of quality measures identified in the update notice for CY 2007. In CY 2007, we specified 10 OASIS quality measures from the OASIS data set as appropriate for public reporting of measurements of health care quality. For CY 2008, we added two more quality measures from the OASIS data set for public reporting. All twelve publicly reported measures are National Quality Forum (NQF)-endorsed measures. The additional measures for 2008 were as follows:

- Emergent Care for Wound Infection, Deteriorating Wound Status; and
- Improvement in the Status of Surgical Wounds (see 72 FR 49861).

Accordingly, for CY 2008, we considered the existing OASIS data set submitted by HHAs to CMS for episodes beginning on or after July 1, 2006, and before July 1, 2007, as meeting the reporting requirement for quality measures for CY 2008.

II. Comments Received From CY 2008 HH PPS Final Rule With Comment Period

In the CY 2008 HH PPS final rule with comment period, we implemented a 2.75 percent payment reduction of the national standardized 60-day episode payment rate for three years beginning in CY 2008 and a fourth year reduction of 2.71 percent for CY 2011. We sought comments only on the 2.71 percent case-mix change adjustment for 2011. We received approximately 44 items of correspondence from the public, only a few of which were directly related to the 2.71 percent adjustment to the HH PPS 60-day episode payment rate in the fourth year. The provision for the 2.71 percent adjustment was added as the fourth year's reduction to the rates to account for the additional change in case-mix, that was indicated in the analysis for the CY 2008 final rule with comment period, that is not considered real; i.e., that is not related to an underlying change in patient health status. Comments originated from trade associations, HHAs, hospitals, and health care professionals such as physicians, nurses, social workers, and physical and occupational therapists. Because this is an update notice, we are not changing policy. However, in order to provide more meaningful and substantive responses we will respond to the above mentioned comments in future rulemaking. This approach allows us to respond comprehensively as more current data become available, while also affording the public ample opportunity to comment on possible future policy changes.

At this time, CMS is maintaining our existing policy as implemented in the CY 2008 final rule with comment period and will impose a 2.75 percent reduction to the national standardized 60-day episode rate for CY 2009. We will continue to monitor any changes in case-mix and may revise the percentage reductions to the HH PPS rates in future rulemaking.

III. Provisions of This Notice

A. National Standardized 60-Day Episode Rate

The Medicare HH PPS has been in effect since October 1, 2000. As set forth in the final rule published July 3, 2000 in the **Federal Register** (65 FR 41128), the unit of payment under the Medicare HH PPS is a national standardized 60-day episode rate. As set forth in § 484.220, we adjust the national standardized 60-day episode rate by a case-mix relative weight and a wage index value based on the site of service for the beneficiary. In the CY 2008 HH PPS final rule with comment period, we refined the case-mix methodology and also rebased and revised the home health market basket. The labor-related share of the case-mix adjusted 60-day episode rate is 77.082 percent and the non-labor-related share is 22.918 percent. The CY 2009 HH PPS rates use the same case-mix methodology and application of the wage index adjustment to the labor portion of the HH PPS rates as set forth in the CY 2008 HH PPS final rule with comment period. We multiply the national 60-day episode rate by the patient's applicable case-mix weight. We divide the case-mix adjusted amount into a labor and non-labor portion. We multiply the labor portion by the applicable wage index based on the site of service of the beneficiary. We add the wage-adjusted portion to the non-labor portion yielding the case-mix and wage-adjusted 60-day episode rate subject to any additional applicable adjustments.

In accordance with section 1895(b)(3)(B) of the Act, we have updated the HH PPS rates annually in a separate **Federal Register** document. The HH PPS regulations at § 484.225 sets forth the specific annual percentage update. To reflect section 1895(b)(3)(B)(v) of the Act, as added by section 5201 of the DRA, we added § 484.225, paragraphs (h) and (i), in the November 9, 2006 final rule to reflect the requirement for submission of quality data, as follows:

(h) For 2007 and subsequent calendar years, in the case of a home health agency that submits home health quality data, as specified by the Secretary, the unadjusted national prospective 60-day episode rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount.

(i) For 2007 and subsequent calendar years, in the case of a home health agency that does not submit home health quality data, as specified by the Secretary, the unadjusted national prospective 60-day episode rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount minus 2 percentage points. Any reduction of the percentage change will apply only to the calendar year involved and will not be taken into account in computing the prospective payment amount for a subsequent calendar year.

For CY 2009, we will base the wage index adjustment to the labor portion of

the HH PPS rates on the most recent pre-floor and pre-reclassified hospital wage index. As discussed in the July 3, 2000 HH PPS final rule, for episodes with four or fewer visits, Medicare pays the national per-visit amount by discipline, referred to as a ''low utilization payment adjustment'' (LUPA). We update the national per-visit amounts by discipline annually by the applicable home health market basket percentage. We adjust the national per-visit amount by the appropriate wage index based on the site of service for the beneficiary, as set forth in § 484.230. We will adjust the labor portion of the updated national per-visit amounts by discipline used to calculate the LUPA by the most recent pre-floor and pre-reclassified hospital wage index, as discussed in the CY 2008 HH PPS final rule with comment period. We are also updating the amounts of the LUPA add-on and the NRS conversion factor by the applicable home health market basket update of 2.9 percent for CY 2009.

Medicare pays the 60-day case-mix and wage-adjusted episode payment on a split percentage payment approach. The split percentage payment approach includes an initial percentage payment and a final percentage payment as set forth in § 484.205(b)(1) and § 484.205(b)(2). We may base the initial percentage payment on the submission of a request for anticipated payment (RAP) and the final percentage payment on the submission of the claim for the episode, as discussed in § 409.43. The claim for the episode that the HHA submits for the final percentage payment determines the total payment amount for the episode and whether we make an applicable adjustment to the 60-day case-mix and wage-adjusted episode payment. The end date of the 60-day episode as reported on the claim determines which calendar year rates Medicare would use to pay the claim.

We may also adjust the 60-day case-mix and wage-adjusted episode payment based on the information submitted on the claim to reflect the following:

- A low utilization payment provided on a per-visit basis as set forth in § 484.205(c) and § 484.230.
- A partial episode payment adjustment as set forth in § 484.205(d) and § 484.235.
- An outlier payment as set forth in § 484.205(e) and § 484.240.

B. CY 2009 Update to the Home Health Market Basket Index

Section 1895(b)(3)(B) of the Act, as amended by section 5201 of the DRA, requires for CY 2009 that the standard prospective payment amounts be increased by a factor equal to the applicable home health market basket update for those HHAs that submit quality data as required by the Secretary.

The applicable home health market basket update will be reduced by 2 percentage points for those HHAs that fail to submit the required quality data. This requirement has been codified in regulations at 42 CFR 484.225. The HH PPS market basket update for CY 2009 is 2.9 percent. This is based on Global Insights Inc.'s, third quarter 2008 forecast, utilizing historical data through the second quarter of 2008. A detailed description of how we derived the HHA market basket is available in the CY 2008 Home Health PPS proposed rule (72 FR 25356, 25435).

- CY 2009 Adjustments

In order to calculate the CY 2009 national standardized 60-day episode rate, we first increase the CY 2008 national standardized 60-day episode payment rate of $2,270.32 by the home health market basket update of 2.9% for CY 2009.

Given this updated rate, we then take a reduction of 2.75 percent to account for the change in case-mix that is not related to the real change in patient acuity levels, as discussed above. The resulting updated CY 2009 national standardized 60-day episode rate for an HHA that submits the required quality data is shown in Table 1. The updated CY 2009 national standardized 60-day episode rate for an HHA that does not submit the required quality data is shown in Table 2.

TABLE 1—NATIONAL 60-DAY EPISODE AMOUNTS UPDATED BY THE HOME HEALTH MARKET BASKET UPDATE FOR CY 2009, BEFORE CASE-MIX ADJUSTMENT, WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY

Total CY 2008 National Standardized 60-Day Episode Payment Rate	Multiply by the Home Health Market Basket Update (2.9 Percent) [1]	Updated National Standardized 60-Day Episode Payment	Reduce by 2.75 Percent for Nominal Change in Case-Mix	CY 2009 National Standardized 60-Day Episode Payment
$2,270.32	× 1.029	$2,336.16	× 0.9725	$2,271.92

[1] The estimated home health market basket update of 2.9 percent for CY 2009 is based on Global Insight Inc., 3rd Qtr 2008 forecast with historical data through 2nd Qtr 2008.

TABLE 2—FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA—NATIONAL 60-DAY EPISODE AMOUNTS UPDATED BY THE HOME HEALTH MARKET BASKET UPDATE FOR CY 2009, BEFORE CASE-MIX ADJUSTMENT, WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY

Total CY 2008 National Standardized 60-Day Episode Payment Rate	Multiply by the Home Health Market Basket Update (2.9 Percent) [1] minus 2 percent	Updated National Standardized 60-Day Episode Payment for HHAs that do not submit required quality data	Reduce by 2.75 Percent for Nominal Change in Case-Mix	CY 2009 National Standardized 60-Day Episode Payment for HHAs that do not submit required quality data
$2,270.32	× 1.009	$2,290.75	× 0.9725	$2,227.75

[1] The estimated home health market basket update of 2.9 percent for CY 2009 is based on Global Insight Inc., 3rd Qtr 2008 forecast with historical data through 2nd Qtr 2008.

• National Per-Visit Amounts Used To Pay LUPAs and Compute Imputed Costs Used in Outlier Calculations

As discussed previously in the CY 2008 HH PPS final rule with comment period, the policies governing LUPAs and the outlier calculations set forth in the July 3, 2000 HH PPS final rule will continue (65 FR 41128). Also, we implemented a LUPA add-on amount of $87.93 for initial and only episode LUPAs during CY 2008. In calculating the CY 2009 national per-visit amounts used to calculate payments for LUPA episodes and to compute the imputed costs in outlier calculations, we start with the CY 2008 per-visit amounts. We increase the CY 2008 per-visit amounts for each home health discipline for CY 2009 by the home health market basket update (2.9 percent). LUPA rates are not reduced due to the nominal increase in case-mix since they are per-visit rates and hence are not subject to changes in case-mix.

TABLE 3—NATIONAL PER-VISIT AMOUNTS FOR LUPAS (NOT INCLUDING THE INCREASE IN PAYMENT FOR A BENEFICIARY'S ONLY EPISODE OR THE INITIAL EPISODE IN A SEQUENCE OF ADJACENT EPISODES) AND OUTLIER CALCULATIONS UPDATED BY THE HOME HEALTH MARKET BASKET UPDATE FOR CY 2009, BEFORE WAGE INDEX ADJUSTMENT BASED ON THE SITE OF SERVICE FOR THE BENEFICIARY

Home Health Discipline	CY 2008 per-visit payment	For HHAs that DO submit the required quality data		For HHAs that DO NOT submit the required quality data	
		Multiply by the Home Health Market Basket Update (2.9 Percent) [1]	CY 2009 per-visit payment	Multiply by the Home Health Market Basket Update (2.9 percent) [1] minus 2 percent	CY 2009 per-visit payment
Home Health Aide	$47.51	× 1.029	$48.89	× 1.009	$47.94
Medical Social Services	168.17	× 1.029	173.05	× 1.009	169.68
Occupational Therapy	115.48	× 1.029	118.83	× 1.009	116.52
Physical Therapy	114.71	× 1.029	118.04	× 1.009	115.74
Skilled Nursing	104.91	× 1.029	107.95	× 1.009	105.85
Speech-Language Pathology	124.65	× 1.029	128.26	× 1.009	125.77

[1] The estimated home health market basket update of 2.9 percent for CY 2009 is based on Global Insight Inc., 3rd Qtr 2008 forecast with historical data through 2nd Qtr 2008.

Payment for LUPA episodes changed in CY 2008 in that for LUPAs that occur as initial episodes in a sequence of adjacent episodes or as the only episode, an additional payment amount is added to the LUPA payment. The Table 3 per-visit rates noted above are before that additional payment is added to the LUPA payment, and are the per-visit rates paid to all other LUPA episodes and used in computing outlier payments. LUPA episodes that occur as the only episode or initial episode in a sequence of adjacent episodes are adjusted by adding an additional amount to the LUPA payment before adjusting for wage index. For CY 2008, that amount was $87.93. This additional LUPA amount is updated in the same manner as the national standardized 60-day episode payment amount and the per-visit rates (i.e. by the home health market basket percentage update). Consequently, for CY 2009, the additional amount paid to LUPAs that occur as initial episodes in a sequence of adjacent episodes or as the only episode is 90.48 ($87.93 × 1.029).

Beginning in CY 2008, to ensure that the variation in non-routine medical supplies (NRS) is more appropriately reflected in the HH PPS, we replaced the original portion ($49.62) of the HH PPS base rate that accounted for NRS, with a system that pays for NRS based on 6 severity groups. For a complete description of the analysis and research behind the development of this system for the payment of NRS, we refer readers to the CY 2008 HH PPS proposed rule (72 FR 25426–25434). Following public comment on the initial proposal made in the proposed rule, we made several modifications using a file of more recent data. The revisions resulted in some scoring changes, and the addition of the sixth severity group to the original five severity groups, to provide more adequate reimbursement for episodes with a high utilization of NRS. As we did in the CY 2008 HH PPS final rule with comment, payments for NRS are updated by the home health market basket and reduced by the 2.75 percent reduction to the rates through the updating of the NRS conversion factor. NRS payments are computed by multiplying the relative weight for a particular severity level by the NRS conversion factor. For this notice, the NRS conversion factor is updated by the home health market basket update of 2.9 percent and reduced by the 2.75 percent reduction to the rates. The NRS conversion factor for CY 2008 was $52.35. Consequently, for CY 2009, the NRS conversion factor is $52.39 ($52.35 × (1.029 × (1 − 0.0275))). The payment amounts for the various severity levels based on the updated conversion factor are calculated in Table 4.

TABLE 4—RELATIVE WEIGHTS FOR THE 6–SEVERITY NRS SYSTEM

Severity level	Points (scoring)	Relative weight	NRS payment amount
1	0	0.2698	$14.13
2	1 to 14	0.9742	51.04
3	15 to 27	2.6712	139.94
4	28 to 48	3.9686	207.91
5	49 to 98	6.1198	320.62
6	99+	10.5254	551.43

C. Home Health Care Quality Improvement

Section 5201(c)(2) of the DRA added section 1895(b)(3)(B)(v)(II) to the Act, requiring that, starting with the initial reporting year from July 2005 through June 2006 and each year thereafter, ''each home health agency shall submit to the Secretary such data that the Secretary determines are appropriate for the measurement of health care quality.'' In response to the DRA requirements, CMS published information about the quality measures in the **Federal Register** as a proposed rule on August 3, 2006 (71 FR 44082–44090) and as a final rule on November 9, 2006 (71 FR 65903). We proposed, and made final, the decision to use the subset of OASIS data that is publicly reported on Home Health Compare, as the appropriate measures of home health quality.

Therefore, OASIS assessments submitted by HHAs to CMS in compliance with HHA conditions of participation for dates of service beginning July 1, 2007 and ending June 30, 2008 will fulfill the HH PPS quality reporting requirement for CY 2009 payments. This reporting time period allows for 12 full months of data and provides us the time necessary to analyze and make any necessary payment adjustments to the CY 2009 payment rates. The required quality measures for meeting the submission requirements for CY 2009 are the same as those required for meeting the submission requirements for CY 2008. These measures are:

- Improvement in Ambulation/Locomotion,
- Improvement in Bathing,
- Improvement in Transferring,
- Improvement in Management of Oral Medication,
- Improvement in Pain Interfering with Activity,
- Acute Care Hospitalization,
- Emergent Care,
- Discharge to Community,
- Improvement in Dyspnea,
- Improvement in Urinary incontinence,
- Improvement in surgical wounds, and
- Emergent Care for wound deterioration.

HHAs that meet the reporting requirements are eligible for the full home health market basket percentage increase. Consistent with our previous policy, home health agencies that are certified on or after May 1, 2007 for payments to be made in CY 2009 will be excluded from the quality reporting requirement in CY 2009 because data submission and analysis will not be possible for an agency certified this late in the reporting time period. At the earliest time possible after obtaining the CCN number, reporting is mandatory. These exclusions only affect quality reporting requirements and do not affect the agency's OASIS reporting responsibilities under the CoP submission requirement.

Additionally, section 1895(b)(3)(B)(v)(I) of the Act requires that all HHAs, unless covered by specific exclusions, meet the reporting requirement, or be subject to a 2 percent reduction in the home health market basket percentage increase. CMS will reconcile the OASIS submissions with claims data in order to verify full compliance with the quality reporting requirements on an annual cycle July 1 through June 30. The 2 percent reduction applies to all HHAs who have not submitted an OASIS assessment in the required time frame for payments beginning in January 2007 and each year thereafter. We will reconcile the OASIS submissions with claims data in order to verify full compliance with the quality reporting requirements. Section 1895(b)(3)(B)(v)(III) of the Act further requires that ''[t]he Secretary shall establish procedures for making data submitted under subclause (II) available to the public. Such procedures shall ensure that a home health agency has the opportunity to review the data that is to be made public with respect to the agency prior to such data being made public.'' To meet the requirement for making such data public, we will continue to use the Home Health Compare Web site, which lists HHAs geographically. Currently, the Home Health Compare Web site lists 12 quality measures from the OASIS set, and these 12 measures are all NQF-endorsed measures for public reporting. Consumers can search for all Medicare-approved home health providers that serve their city or zip code (which would include the quality measures) and then find the agencies offering the types of services they need. See *http://www.medicare.gov/HHCompare/Home.asp.* HHAs currently have pre-publication access every November to their own agency's quality data (collected and periodically updated by a contractor), which enables each agency to know how it is performing before public posting of data on the Home Health Compare Web site. In addition, each agency formally receives quarterly updates via the CASPER system known as Outcome Based Quality Improvement (OBQI) and Outcome Based Quality Monitoring (OBQM) and a report describing the agency patient characteristics based on OASIS. Continuing to use the OASIS instrument ensures that providers will not have an additional burden of reporting through a separate mechanism and that the costs associated with the development and testing of a new reporting mechanism can be avoided. For CY 2009, we will continue to require that the HHA submit OASIS data appropriate for the measurement of health care quality.

Over the past year, CMS has tested new patient level best practice and process measures for home health agencies, and has continued to refine the current OASIS instrument. CMS is testing the new measure the NQF has developed a Global Measure for Flu/Pneumonia vaccination across care settings. We anticipate making further modifications to the current OASIS items, including refinements to response categories. Any new data elements go through OMB process and measures go through the NQF consensus development process, prior to proposing them through the rulemaking process. Additionally, section 1895(b)(3)(B)(v)(II) of the Act requires each HHA to submit appropriate health care quality data in a form, manner, and at a time specified by the Secretary. Such measures would be evidence-based, clearly linked to improved outcomes, and reliably captured with the least burden to the provider. Data element revisions and measures across settings of care will be integral to CMS' vision of addressing national quality care priorities and use of a future single instrument for quality, payment, clinical relevance, and risk adjustment.

D. Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Home Health Care

As part of the U.S. Department of Health and Human Services (DHHS) Transparency Initiative, CMS plans to implement a process to measure and publicly report patient experiences with home health care using a survey developed by the Agency for Healthcare Research and Quality's (AHRQ's) Consumer Assessment of Healthcare Providers and Systems (CAHPS®) program. The CAHPS Home Health Care survey is part of a family of CAHPS® surveys that ask patients to report on and rate their experiences with health care. This notice provides an update on the development of the CAHPS Home Health Care survey, as initially discussed in the May 4, 2007 proposed rule (72 FR 25356, 25452). The CAHPS® Home Health Care survey presents home health patients with a set of standardized questions about their

home health care providers and the quality of their home health care. Prior to this survey, there was no national standard for collecting information about patient experience that would allow comparisons across all home health agencies.

The survey captures topics such as patients' interactions with home health staff, provider care and communication, and patient characteristics. The survey allows the patient to give an overall rating of the agency, and asks if the patient would recommend the agency to family and friends.

AHRQ conducted a field test to determine the length and content of the CAHPS Home Health Care Survey. CMS has submitted the survey to the National Quality Forum (NQF) for consideration and approval in their consensus process. NQF endorsement represents the consensus opinion of many healthcare providers, consumer groups, professional organizations, purchasers, federal agencies, and research and quality organizations. The final survey will be submitted to the Office of Management and Budget (OMB) for their approval under the Paperwork Reduction Act (PRA) process.

CMS is working with a contractor to develop protocols and guidelines for implementation of CAHPS Home Health Care survey. Administration of the survey will be conducted by multiple, independent survey vendors working under contract with home health agencies to facilitate data collection and reporting. During 2008, vendor training materials are being developed, and implementation procedures for data submission and processing will be finalized. Recruitment and training of vendors who wish to be approved to collect survey data will begin in 2009. The CAHPS Home Health Care survey will be implemented similar to the CAHPS Hospital survey where vendors are approved to conduct the survey and trained prior to agency participation in the survey. Home health agencies interested in learning about the survey are encouraged to view the CAHPS Home Health Care Survey Web site: *http://www.homehealthCAHPS.org.* They can also call toll-free: 1–866–354–0985 or send an email to the project team at *HHCAHPS@rti.org* for more information.

More information about the national implementation will be available next year in the Home Health Rule: The Home Health Prospective Payment System Refinement and Rate Update for Calendar Year 2010.

E. Outliers and the Fixed Dollar Loss Ratio

In addition to the regular 60-day case-mix and wage-adjusted episode payments, the HH PPS allows for outlier payments for episodes that incur unusually high costs. As noted in section I.A., of this notice, outlier payments are made for episodes for which the estimated cost exceeds a threshold amount. Section 1895(b)(5) of the Act requires that the estimated total outlier payments be no more than 5 percent of total estimated HH PPS payments for a given year. For a full description of our outlier policy, we refer to the CY 2008 HH PPS final rule with comment period (72 FR 49855–49857).

The wage adjusted fixed dollar loss (FDL) amount represents the amount of loss that an agency must bear before an episode becomes eligible for outlier payments. Annually, we review the percentage of outlier payments and adjust the FDL ratio as appropriate.

Past experience has shown that outlier payments have been increasing as a percent of total payments from 4.1 percent in CY 2005, to 5.0 percent in CY 2006, to 6.4 percent in CY 2007. More recent analysis estimates outlier payments to increase to approximately 8.1 percent in CY 2008 (an increase of slightly more than 27 percent).

In the CY 2008 final rule with comment period, in the interest of using the latest data and best analysis available, we performed supplemental analysis on the most recent data available in order to best estimate the FDL ratio. That analysis derived a final FDL ratio of 0.89 for CY 2008.

In order to determine the appropriate value for the FDL ratio for CY 2009 we performed an updated analysis using the most recent, complete available data (CY 2007), applying a methodology similar to that which we used to update the FDL ratio in the CY 2008 HH PPS final rule with comment. That updated analysis projects that in CY 2009 we will expend an estimated 10.26 percent of total estimated HH PPS payments in outlier payments, more than double our 5 percent statutory limit. However, our analysis also revealed that this growth in outlier payments is primarily the result of excessive growth in a few specific areas of the country. Specifically, we have noticed statistical anomalies in outlier payments, as a percentage of total HH PPS payments, in areas such as Miami-Dade, Florida, where outlier payments to providers far exceed the national average and the 5 percent target for outlier payments. Using similar analysis to what was performed for the CY 2009 final rule with comment; we estimated that we would need to raise our FDL ratio from 0.89 to 2.71 for CY 2009. This is a dramatic change that appears to be driven by statistical anomalies in outlier payments in areas such as Miami-Dade, Florida. In addition, the size of these statistical anomalies raises concerns about the medical necessity of the outlier episodes in some areas. We will be examining outlier payments in these areas in more detail and will take action to remedy inappropriate outlier payments as necessary.

Therefore, we believe that raising the FDL ratio to 2.71 is not justified at this time, given the statistical outlier data anomalies that we have identified in certain areas, and the actions that are underway to address excessive, suspect outlier payments that are occurring in these areas. We believe the most reasonable policy to achieve paying no more than 5 percent outlier payments as a percentage of total estimated HH PPS payments is through the combined effects of maintaining the current (CY 2008) FDL ratio of 0.89 in CY 2009 and the actions being taken to remedy any inappropriate outlier payments in these areas of the country where outlier data anomalies exist. Any further update to the FDL ratio, if any, will not occur until future rulemaking when we expect to have a better understanding of appropriate outlier payments, particularly in those areas of the country with extremely high outlier payments as a percentage of total HH PPS payments.

F. Hospital Wage Index

Sections 1895(b)(4)(A)(ii) and (b)(4)(C) of the Act require the Secretary to establish area wage adjustment factors that reflect the relative level of wages and wage-related costs applicable to the furnishing of home health services and to provide appropriate adjustments to the episode payment amounts under the HH PPS to account for area wage differences. As discussed previously, we apply the appropriate wage index value to the labor portion (77.082 percent) of the HH PPS rates based on the site of service for the beneficiary (defined by section 1861(m) of the Act as the beneficiary's place of residence). Generally, we determine each HHA's labor market area based on definitions of Metropolitan Statistical Areas (MSAs) issued by the Office of Management and Budget (OMB). We have consistently used the pre-floor, pre-reclassified hospital wage index data to adjust the labor portion of the HH PPS rates. We believe the use of the pre-floor, pre-reclassified hospital wage index data results in the appropriate adjustment to

the labor portion of the costs as required by statute.

In the November 9, 2005 final rule for CY 2006 (70 FR 68132), we adopted revised labor market area definitions based on Core-Based Statistical Areas (CBSAs). At the time, we noted that these were the same labor market area definitions (based on OMB's new CBSA designations) implemented under the Hospital Inpatient Prospective Payment System (IPPS). In adopting the CBSA designations, we identified some geographic areas where there are no hospitals and, thus, no hospital wage data on which to base the calculation of the home health wage index. We continue to use the methodology discussed in the November 9, 2006 final rule for CY 2007 (71 FR 65884) to address the geographic areas that lack hospital wage data on which to base the calculation of their home health wage index. For rural areas that do not have IPPS hospitals, we use the average wage index from all contiguous CBSAs as a reasonable proxy. This methodology is used to calculate the wage index for rural Massachusetts. However, we could not apply this methodology to rural Puerto Rico due to the distinct economic circumstances that exist there, but instead continue using the most recent wage index previously available for that area (from CY 2005). For urban areas without IPPS hospitals, we use the average wage index of all urban areas within the State as a reasonable proxy for the wage index for that CBSA. The only urban area without IPPS hospital wage data is Hinesville-Fort Stewart, Georgia (CBSA 25980).

1. Clarification of New England Deemed Counties

We are taking this opportunity to address the change in the treatment of ''New England deemed counties'' (that is, those counties in New England listed at 42 CFR 412.64(b)(1)(ii)(B) that were deemed to be part of urban areas under section 601(g) of the Social Security Amendments of 1983) that was made in the FY 2008 IPPS final rule with comment period (72 FR 47337 through 47338, August 22, 2007). These counties include the following: Litchfield County, Connecticut; York County, Maine; Sagadahoc County, Maine; Merrimack County, New Hampshire; and Newport County, Rhode Island. Of these five ''New England deemed counties,'' three (York County, ME; Sagadahoc County, ME; and Newport County, RI) are also included in metropolitan statistical areas defined by OMB and are considered urban under both the current IPPS and HH PPS labor market area definitions in § 412.64(b)(1)(ii)(A). The remaining two, Litchfield County, CT, and Merrimack County, NH, are geographically located in areas that are considered rural under the current IPPS (and HH PPS) labor market area definitions, but have been previously deemed urban under the IPPS in certain circumstances, as discussed below.

In the FY 2008 IPPS final rule with comment period, § 412.64(b)(1)(ii)(B) was revised such that the two ''New England deemed counties'' that are still considered rural under the OMB definitions (Litchfield County, CT and Merrimack County, NH), are no longer considered urban effective for discharges occurring on or after October 1, 2007, and therefore, are considered rural in accordance with § 412.64(b)(1)(ii)(C). However, for purposes of payment under the IPPS, acute-care hospitals located within those areas are treated as being reclassified to their deemed urban area effective for discharges occurring on or after October 1, 2007 (see 72 FR 47337 through 47338). We note that the HH PPS does not provide for such geographic reclassification. Also, in the FY 2008 IPPS final rule with comment period (72 FR 47338), we explained that we have limited this policy change for the ''New England deemed counties'' only to IPPS hospitals, and any change to non-IPPS provider wage indexes would be addressed in the respective payment system rules. Accordingly, we are taking this opportunity to clarify the treatment of ''New England deemed counties'' under the HH PPS in this notice.

As discussed above, the HH PPS has consistently used the IPPS definition of ''urban'' and ''rural'' with regard to the wage index used in the HH PPS. Historical changes to the labor market area/geographic classifications and annual updates to the wage index values under the HH PPS are made effective January 1 each year. When we established the most recent HH PPS payment rate update, effective for HH services provided on or after January 1, 2008 through December 31, 2008, we considered the ''New England deemed counties'' (including Litchfield County, CT and Merrimack County, NH) as urban for CY 2008, as evidenced by the inclusion of Litchfield County as one of the constituent counties of urban CBSA 25540 (Hartford-West Hartford-East Hartford, CT), and the inclusion of Merrimack County as one of the constituent counties of urban CBSA 31700 (Manchester-Nashua, NH).

At 42 CFR 484.202, the terms ''rural'' and ''urban'' are defined according to the definitions of those terms as used in the IPPS. Applying the IPPS definitions, Litchfield County, CT and Merrimack County, NH are not considered ''urban'' under § 412.64(b)(1)(ii)(A) through (B) as revised under the FY 2008 IPPS final rule and, therefore, are considered ''rural'' under § 412.64(b)(1)(ii)(C). Accordingly, reflecting our policy to use the IPPS definitions of ''urban'' and ''rural,'' these two counties will be considered ''rural'' under the HH PPS effective with the next update of the HH PPS payment rates on January 1, 2009, and will no longer be included in urban CBSA 25540 (Hartford-West Hartford-East Hartford, CT) and urban CBSA 31700 (Manchester-Nashua, NH), respectively. We note that this policy is consistent with our policy of not taking into account IPPS geographic reclassifications in determining payments under the HH PPS.

2. Multi-Campus Hospital Wage Index Data

In the CY 2008 HH PPS final rule with comment period, we established HH PPS wage index values for CY 2008 calculated from the same data (collected from cost reports submitted by hospitals for cost reporting periods beginning during FY 2004) used to compute the FY 2008 acute care hospital inpatient wage index, without taking into account geographic reclassification under sections 1886(d)(8) and (d)(10) of the Act. However, the IPPS policy that apportions the wage data for multi-campus hospitals was not finalized before the HH PPS final rule with comment period.

We are continuing to use IPPS wage data for this CY 2009 update notice because we believe that in the absence of home health-specific wage data, using the hospital inpatient wage data is appropriate and reasonable for the HH PPS. We note that the IPPS wage data used to determine the CY 2009 HH wage index values reflect our policy that was adopted under the IPPS beginning in FY 2008, which apportions the wage data for multi-campus hospitals located in different labor market areas, or Core-Based Statistical Areas (CBSAs), to each CBSA where the campuses are located (see the FY 2008 IPPS final rule with comment period (72 FR 47317 through 47320)). Specifically, for the CY 2009 HH PPS, the wage index was computed using IPPS wage data (published by hospitals for cost reporting periods beginning in 2005, as with the FY 2009 IPPS wage index), which allocated salaries and hours to the campuses of two multi-campus hospitals with campuses that are located in different labor areas; one is Massachusetts and the other is Illinois. The wage index

values for the CY 2009 HH PPS in the following CBSAs are affected by this policy: Boston-Quincy, MA (CBSA 14484), Providence-New Bedford-Falls River, RI-MA (CBSA 39300), Chicago-Naperville-Joliet, IL (CBSA 16974) and Lake County-Kenosha County, IL-WI (CBSA 29404) (please refer to Addendum B in this notice).

As previously discussed in the July 3, 2000 final rule (65 FR 41128), the statute provides that the wage adjustment factors may be the factors used by the Secretary for purposes of section 1886(d)(3)(E) of the Act for hospital wage adjustment factors. Since publication of the July 3, 2000 final rule, we continue to believe that the use of the pre-floor and pre-reclassified hospital wage index data results in the appropriate and reasonable adjustment to the labor portion of the costs as required by statute. The HH PPS does not use the hospital area wage index's occupational mix adjustment, as this adjustment serves specifically to define the occupational categories more clearly in a hospital setting. See Addenda A and B of this notice, respectively, for the rural and urban pre-floor, pre-reclassified hospital wage indexes for 2009. The 2009 wage index is based on data collected from hospital cost reports submitted for cost reporting periods beginning during FY 2005. These data reflect the multi-campus and New England deemed counties policies discussed above.

Under the HH PPS, we use the wage index value associated with the labor market in which the beneficiary's home is located. As has been our longstanding practice, any area not included in an MSA (urban area) is considered to be nonurban (§ 412.64(b)(1)(ii)(C)) and receives the statewide rural wage index value (see, for example, 65 FR 41173).

IV. Waiver of Proposed Rulemaking

We ordinarily publish a notice of proposed rulemaking in the **Federal Register** to provide a period for public comment before the provisions of a notice such as this take effect. We can waive this procedure, however, if we find good cause that a notice-and-comment procedure is impracticable, unnecessary, or contrary to the public interest and incorporate a statement of finding and its reasons in the notice issued.

We find that it is unnecessary, impracticable and contrary to the public interest to undertake proposed notice and comment rulemaking in this Notice. We believe it is unnecessary because the statute requires annual updates to the HH PPS rates and the methodologies used to update the rates have been previously subject to public comment; we are simply applying the methodology to the most recent data. With respect to the update of the outlier FDL ratio, we find that insofar as we have deviated from our usual methodology in this calendar year, such change is an analytical change. Moreover, we believe that the difficulty of deriving a new methodology to address the limited data discrepancies in localized areas of the country makes issuing a notice of proposed rulemaking in this instance impracticable. Moreover, it would be contrary to the public interest to undertake notice and comment rulemaking as it would impose a hardship on home health agencies and their patients by delaying publication of this update in order to solicit comments. Since it would pose additional harm to those home health agencies across the country that would be deemed ineligible for outlier payments because of these localized data discrepancies, applying the FDL analysis that we have used in past years is likewise contrary to the public interest for CY 2009. Therefore, we find good cause to waive notice and comment procedures for CY 2009.

V. Collection of Information Requirements

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 501 *et seq.*).

VI. Regulatory Impact Analysis

A. Overall Impact

We have examined the impacts of this notice as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), Executive Order 13132 on Federalism, and the Congressional Review Act (5 U.S.C. 804(2)).

Executive Order 12866, as amended, which merely reassigns responsibility of duties directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for rules with economically significant effects ($100 million or more in any 1 year). This notice, as defined by Executive Order 12866, is not an economically significant rule. This notice would not be considered major under the Congressional Review Act. The update set forth in this notice applies to Medicare payments under HH PPS in CY 2009. Accordingly, the following analysis describes the impact in CY 2009 only.

We estimate that the net impact in this notice, including a 2.75 percent reduction to the payment rate to account for the case-mix change adjustment, is estimated to be approximately $30 million in CY 2009 expenditures. This total estimated $30 million impact reflects the distributional effects of an updated wage index (−$20 million) as well as the 2.9 percent home health market basket increase (an estimated additional $490 million in CY 2009 expenditures attributable only to the CY 2009 home health market basket update), and the 2.75 percent decrease (−$440 million for the second year of a 4-year phase-in) to the HH PPS national standardized 60-day episode rate to account for the case-mix change adjustment under the HH PPS. The $30 million is reflected in column 3 of Table 5 as a 0.15 percent increase in expenditures when comparing the current CY 2008 system to the CY 2009 system.

The RFA requires agencies to analyze options for regulatory relief of small entities. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $7 million to $34.5 million in any 1 year. For purposes of the RFA, approximately 75 percent of HHAs are considered small businesses according to the Small Business Administration's size standards with total revenues of $13.5 million or less in any 1 year. Individuals and States are not included in the definition of a small entity. As stated above, this notice will have an estimated positive effect upon small entities that are HHAs (see Section IV.B ''Anticipated Effects'', of this rule, for supporting analysis).

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 603 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital

as a hospital that is located outside of a Metropolitan Statistical Area and has fewer than 100 beds. We have determined that this notice will not have a significant economic impact on the operations of a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in expenditure in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of $100 million adjusted for inflation. Using the Gross Domestic Price Deflator, the inflation adjusted threshold for 2008 is approximately $130 million. We believe this notice will not mandate expenditures in that amount.

Executive Order 13132 established certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this notice under the threshold criteria of Executive Order 13132, Federalism. We have determined that this notice would not have substantial direct effects on the rights, roles, and responsibilities of States.

B. Anticipated Effects

This notice updates the HH PPS rates contained in the CY 2008 HH PPS final rule with comment period. We use the latest data and best analysis available, but we do not attempt to predict behavioral responses to these changes, and we do not make adjustments for future changes in such variables as days or case-mix.

This analysis incorporates the latest estimates of growth in service use and payments under the Medicare home health benefit, based on the latest available Medicare claims from 2006. We note that certain events may combine to limit the scope or accuracy of our impact analysis, because such an analysis is future-oriented and, thus, susceptible to forecasting errors due to other changes in the forecasted impact time period. Some examples of such possible events are newly-legislated general Medicare program funding changes made by the Congress, or changes specifically related to HHAs. In addition, changes to the Medicare program may continue to be made as a result of the BBA, the BBRA, the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, the MMA, the DRA, or new statutory provisions. Although these changes may not be specific to the HH PPS, the nature of the Medicare program is such that the changes may interact, and the complexity of the interaction of these changes could make it difficult to predict accurately the full scope of the impact upon HHAs.

Table 5 represents how home health agencies are likely to be affected by the policy changes described in this notice. Column one of this table classifies HHAs according to a number of characteristics including provider type, geographic region, and urban versus rural location. For the purposes of analyzing impacts on payments, we performed four simulations and compared them to each other. Based on our estimate that outliers, as a percentage of total HH PPS payments, will be at least 5 percent in CY 2008, the 2008 baseline, for the purposes of these simulations, we assumed that the full 5 percent outlay for outliers will be paid. The first simulation estimates 2008 payments under the current system (to include the 2008 wage index and 2008 payment rates). The second simulation estimates CY 2008 payments under the current system, but with the CY 2009 wage index. The second simulation produces an estimate of the effect of the CY 2009 wage index only. The third simulation estimates the effect of the CY 2009 payments using the CY 2009 payment rates and the CY 2008 wage index. The fourth simulation estimates CY 2009 payments using the new CY 2009 payment rates and CY 2009 wage index.

These four simulations allow us to demonstrate the effects of the new CY 2009 wage index and a new 2009 payment rates as a percentage change in estimated expenditures. Specifically, the second column of Table 5 shows the percent change due to the effects of the CY 2009 wage index. The third column of Table 5 shows the percent change due to the combined effects of the CY 2009 wage index and the CY 2009 home health market basket update and the case-mix reduction.

Column three shows the percentage change in estimated total payments in moving from the current CY 2008 to the revised CY 2009 system outlined in this notice. Our estimate of the change in total payments between CY 2008 and CY 2009 is an increase of approximately 0.15 percent.

In general, most HHAs are estimated to see increases in total payments from CY 2008 to CY 2009. The increases range from −0.01 percent for other voluntary/non-profit freestanding agencies to 0.25 percent for facility-based governmental HHAs.

The only rural HHA's estimated to see a decrease are free-standing, other voluntary/non-profit HHAs. The decrease is estimated to be 0.07 percent. In total, payments are estimated to increase 0.17 percent to HHAs in rural areas and 0.19 percent to HHAs in urban areas. The only urban HHAs estimated to see a decrease are facility-based voluntary/non-profits with an estimated decrease of 0.05 percent. Overall, payments are estimated to increase 0.15 percent to HHAs in urban areas.

HHAs in the South and the West are expected to experience increases of 0.08 percent and 1.56 percent respectively from CY 2008 to CY 2009. The North and the Midwest are estimated to experience decreases of 0.08 percent and 0.44 percent respectively. It is estimated that New England, East South Central, West South Central, West North Central and Pacific HHAs will experience percentage increases of 0.36 percent, 0.02 percent, 0.34 percent, 0.61 percent, and 2.21 percent respectively. Conversely, Mid Atlantic, South Atlantic, East North Central, and Mountain area HHAs are expected to experience decreases of 0.32 percent, 0.18 percent, 0.70 percent, and 0.09 percent respectively. In general, all HHAs of varying facility size are expected to experience increases (ranging from 0.04 percent to 0.53 percent) in total payments from CY 2008 to CY 2009.

TABLE 5—IMPACT BY AGENCY TYPE

Group	Percent change due to the effects of the updated wage index only	Percent change due to the effects of the updated wage index, the 2.9% home health market basket update, and the 2.75% reduction to the rates
Type of Facility		
Free-Standing/Other Vol/NP	−0.22	−0.01
Free-Standing/Other Proprietary	−0.09	0.24
Free-Standing/Other Government	−0.11	0.07
Facility-Based Vol/NP	−0.16	0.01
Facility-Based Proprietary	−0.01	0.14
Facility-Based Government	0.10	0.25
Subtotal: Freestanding	−0.12	0.17
Subtotal: Facility-based	−0.12	0.05
Subtotal: Vol/PNP	−0.19	0.00
Subtotal: Proprietary	−0.09	0.24
Subtotal: Government	−0.01	0.16
Total	−0.12	0.15
Type of Facility (Rural * Only)		
Free-Standing/Other Vol/NP	−0.22	−0.07
Free-Standing/Other Proprietary	0.07	0.23
Free-Standing/Other Government	−0.16	0.01
Facility-Based Vol/NP	0.06	0.21
Facility-Based Proprietary	0.20	0.33
Facility-Based Government	0.09	0.23
Type of Facility (Urban * Only)		
Free-Standing/Other Vol/NP	−0.22	0.00
Free-Standing/Other Proprietary	−0.12	0.25
Free-Standing/Other Government	−0.06	0.16
Facility-Based Vol/NP	−0.22	0.05
Facility-Based Proprietary	−0.16	0.01
Facility-Based Government	0.11	0.28
Type of Facility (Urban * or Rural *)		
Rural*	0.01	0.17
Urban*	−0.15	0.15
Total	−0.12	0.15
Facility Location: Region *		
North	−0.30	−0.08
South	−0.25	0.08
Midwest	−0.58	−0.44
West	1.20	1.56
Other	−0.09	0.07
Total	−0.12	0.15
Facility Location: Area of the Country		
New England	0.15	0.36
Mid Atlantic	−0.55	−0.32
South Atlantic	−0.65	−0.18
East South Central	−0.11	0.02
West South Central	0.06	0.34
East North Central	−0.84	−0.70
West North Central	0.45	0.61
Mountain	−0.31	−0.09
Pacific	1.80	2.21
Other	−0.09	0.07
Total	−0.12	0.15

TABLE 5—IMPACT BY AGENCY TYPE—Continued

Group	Percent change due to the effects of the updated wage index only	Percent change due to the effects of the updated wage index, the 2.9% home health market basket update, and the 2.75% reduction to the rates
Facility Size (Number of First Episodes)		
1 to 5	−0.29	0.34
6 to 9	−0.41	0.17
10 to 14	−0.38	0.17
15 to 19	−0.39	0.19
20 to 29	−0.25	0.28
30 to 49	−0.10	0.37
50 to 99	0.06	0.50
100 to 199	0.07	0.36
200 or More	−0.17	0.04
Total	−0.12	0.15

Note: Based on a 20 percent sample of CY 2006 claims linked to OASIS assessments.
* Urban/rural status, for the purposes of these simulations, is based on the wage index on which episode payment is based. The wage index is based on the site of service of the beneficiary.

In accordance with the provisions of Executive Order 12866, this regulation was reviewed by the Office of Management and budget.

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance; and Program No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: October 9, 2008.

Kerry Weems,

Acting Administrator, Centers for Medicare & Medicaid Services.

Approved: October 24, 2008.

Michael O. Leavitt,

Secretary.

Note: The following addenda will not be published in the Code of Federal Regulations.

Addendum A—CY 2009 Wage Index for Rural Areas by CBSA; Applicable Pre-floor and Pre-Reclassified Hospital Wage Index

CBSA code	Nonurban area	Wage index
01	Alabama	0.7587
02	Alaska	1.1898
03	Arizona	0.8453
04	Arkansas	0.7473
05	California	1.2275
06	Colorado	0.9570
07	Connecticut	1.1016
08	Delaware	0.9962
10	Florida	0.8504
11	Georgia	0.7612
12	Hawaii	1.0999
13	Idaho	0.7651
14	Illinois	0.8386
15	Indiana	0.8473
16	Iowa	0.8804
17	Kansas	0.8052
18	Kentucky	0.7803
19	Louisiana	0.7447
20	Maine	0.8644
21	Maryland	0.8883
22	Massachusetts[1]	1.1670
23	Michigan	0.8887
24	Minnesota	0.9059
25	Mississippi	0.7584
26	Missouri	0.7982
27	Montana	0.8658
28	Nebraska	0.8730
29	Nevada	0.9382
30	New Hampshire	1.0219
31	New Jersey[1]	.....
32	New Mexico	0.8812
33	New York	0.8145
34	North Carolina	0.8576
35	North Dakota	0.7205
36	Ohio	0.8588
37	Oklahoma	0.7732
38	Oregon	1.0218
39	Pennsylvania	0.8365
40	Puerto Rico[1]	0.4047
41	Rhode Island[1]	.....
42	South Carolina	0.8538
43	South Dakota	0.8603
44	Tennessee	0.7789
45	Texas	0.7894
46	Utah	0.8267
47	Vermont	1.0079
48	Virgin Islands	0.6971
49	Virginia	0.7861
50	Washington	1.0181
51	West Virginia	0.7503
52	Wisconsin	0.9373
53	Wyoming	0.9315
65	Guam	0.9611

[1] All counties within the State are classified as urban, with the exception of Massachusetts and Puerto Rico. Massachusetts and Puerto Rico have areas designated as rural, however, no short-term, acute care hospitals are located in the area(s) for CY 2009.

Addendum B—CY 2009 Wage Index for Urban Areas by CBSA; Applicable Pre-Floor and Pre-Reclassified Hospital Wage Index

CBSA code	Urban area (constituent counties)	Wage index
10180	Abilene, TX	0.8097
	Callahan County, TX.	
	Jones County, TX.	
	Taylor County, TX.	
10380	Aguadilla-Isabela-San Sebastián, PR	0.3399
	Aguada Municipio, PR.	
	Aguadilla Municipio, PR.	

CBSA code	Urban area (constituent counties)	Wage index
	Añasco Municipio, PR.	
	Isabela Municipio, PR.	
	Lares Municipio, PR.	
	Moca Municipio, PR.	
	Rincón Municipio, PR.	
	San Sebastián Municipio, PR.	
10420	Akron, OH	0.8917
	Portage County, OH.	
	Summit County, OH.	
10500	Albany, GA	0.8703
	Baker County, GA.	
	Dougherty County, GA.	
	Lee County, GA.	
	Terrell County, GA.	
	Worth County, GA.	
10580	Albany-Schenectady-Troy, NY	0.8707
	Albany County, NY.	
	Rensselaer County, NY.	
	Saratoga County, NY.	
	Schenectady County, NY.	
	Schoharie County, NY.	
10740	Albuquerque, NM	0.9210
	Bernalillo County, NM.	
	Sandoval County, NM.	
	Torrance County, NM.	
	Valencia County, NM.	
10780	Alexandria, LA	0.8130
	Grant Parish, LA.	
	Rapides Parish, LA.	
10900	Allentown-Bethlehem-Easton, PA–NJ	0.9499
	Warren County, NJ.	
	Carbon County, PA.	
	Lehigh County, PA.	
	Northampton County, PA.	
11020	Altoona, PA	0.8521
	Blair County, PA.	
11100	Amarillo, TX	0.8927
	Armstrong County, TX.	
	Carson County, TX.	
	Potter County, TX.	
	Randall County, TX.	
11180	Ames, IA	0.9487
	Story County, IA.	
11260	Anchorage, AK	1.1931
	Anchorage Municipality, AK.	
	Matanuska-Susitna Borough, AK.	
11300	Anderson, IN	0.8760
	Madison County, IN.	
11340	Anderson, SC	0.9570
	Anderson County, SC.	
11460	Ann Arbor, MI	1.0445
	Washtenaw County, MI.	
11500	Anniston-Oxford, AL	0.7927
	Calhoun County, AL.	
11540	Appleton, WI	0.9440
	Calumet County, WI.	
	Outagamie County, WI.	
11700	Asheville, NC	0.9142
	Buncombe County, NC.	
	Haywood County, NC.	
	Henderson County, NC.	
	Madison County, NC.	
12020	Athens-Clarke County, GA	0.9591
	Clarke County, GA.	
	Madison County, GA.	
	Oconee County, GA.	
	Oglethorpe County, GA.	
12060	Atlanta-Sandy Springs-Marietta, GA	0.9754
	Barrow County, GA.	
	Bartow County, GA.	
	Butts County, GA.	
	Carroll County, GA.	
	Cherokee County, GA.	

CBSA code	Urban area (constituent counties)	Wage index
	Clayton County, GA.	
	Cobb County, GA.	
	Coweta County, GA.	
	Dawson County, GA.	
	DeKalb County, GA.	
	Douglas County, GA.	
	Fayette County, GA.	
	Forsyth County, GA.	
	Fulton County, GA.	
	Gwinnett County, GA.	
	Haralson County, GA.	
	Heard County, GA.	
	Henry County, GA.	
	Jasper County, GA.	
	Lamar County, GA.	
	Meriwether County, GA.	
	Newton County, GA.	
	Paulding County, GA.	
	Pickens County, GA.	
	Pike County, GA.	
	Rockdale County, GA.	
	Spalding County, GA.	
	Walton County, GA.	
12100	Atlantic City, NJ	1.1973
	Atlantic County, NJ.	
12220	Auburn-Opelika, AL	0.7544
	Lee County, AL.	
12260	Augusta-Richmond County, GA–SC	0.9615
	Burke County, GA.	
	Columbia County, GA.	
	McDuffie County, GA.	
	Richmond County, GA.	
	Aiken County, SC.	
	Edgefield County, SC.	
12420	Austin-Round Rock, TX	0.9536
	Bastrop County, TX.	
	Caldwell County, TX.	
	Hays County, TX.	
	Travis County, TX.	
	Williamson County, TX.	
12540	Bakersfield, CA	1.1189
	Kern County, CA.	
12580	Baltimore-Towson, MD	1.0055
	Anne Arundel County, MD.	
	Baltimore County, MD.	
	Carroll County, MD.	
	Harford County, MD.	
	Howard County, MD.	
	Queen Anne's County, MD.	
	Baltimore City, MD.	
12620	Bangor, ME	1.0174
	Penobscot County, ME.	
12700	Barnstable Town, MA	1.2643
	Barnstable County, MA.	
12940	Baton Rouge, LA	0.8163
	Ascension Parish, LA.	
	East Baton Rouge Parish, LA.	
	East Feliciana Parish, LA.	
	Iberville Parish, LA.	
	Livingston Parish, LA.	
	Pointe Coupee Parish, LA.	
	St. Helena Parish, LA.	
	West Baton Rouge Parish, LA.	
	West Feliciana Parish, LA.	
12980	Battle Creek, MI	1.0120
	Calhoun County, MI.	
13020	Bay City, MI	0.9248
	Bay County, MI.	
13140	Beaumont-Port Arthur, TX	0.8479
	Hardin County, TX.	
	Jefferson County, TX.	
	Orange County, TX.	
13380	Bellingham, WA	1.1640

CBSA code	Urban area (constituent counties)	Wage index
	Whatcom County, WA.	
13460	Bend, OR	1.1375
	Deschutes County, OR.	
13644	Bethesda-Frederick-Gaithersburg, MD	1.0548
	Frederick County, MD.	
	Montgomery County, MD.	
13740	Billings, MT	0.8805
	Carbon County, MT.	
	Yellowstone County, MT.	
13780	Binghamton, NY	0.8574
	Broome County, NY.	
	Tioga County, NY.	
13820	Birmingham-Hoover, AL	0.8792
	Bibb County, AL.	
	Blount County, AL.	
	Chilton County, AL.	
	Jefferson County, AL.	
	St. Clair County, AL.	
	Shelby County, AL.	
	Walker County, AL.	
13900	Bismarck, ND	0.7148
	Burleigh County, ND.	
	Morton County, ND.	
13980	Blacksburg-Christiansburg-Radford, VA	0.8155
	Giles County, VA.	
	Montgomery County, VA.	
	Pulaski County, VA.	
	Radford City, VA.	
14020	Bloomington, IN	0.8979
	Greene County, IN.	
	Monroe County, IN.	
	Owen County, IN.	
14060	Bloomington-Normal, IL	0.9323
	McLean County, IL.	
14260	Boise City-Nampa, ID	0.9268
	Ada County, ID.	
	Boise County, ID.	
	Canyon County, ID.	
	Gem County, ID.	
	Owyhee County, ID.	
14484	Boston-Quincy, MA	1.1897
	Norfolk County, MA.	
	Plymouth County, MA.	
	Suffolk County, MA.	
14500	Boulder, CO	1.0302
	Boulder County, CO.	
14540	Bowling Green, KY	0.8388
	Edmonson County, KY.	
	Warren County, KY.	
14600	Bradenton-Sarasota-Venice, FL	0.9900
14740	Bremerton-Silverdale, WA	1.0770
	Kitsap County, WA.	
14860	Bridgeport-Stamford-Norwalk, CT	1.2868
	Fairfield County, CT.	
15180	Brownsville-Harlingen, TX	0.8916
	Cameron County, TX.	
15260	Brunswick, GA	0.9567
	Brantley County, GA.	
	Glynn County, GA.	
	McIntosh County, GA.	
15380	Buffalo-Niagara Falls, NY	0.9537
	Erie County, NY.	
	Niagara County, NY.	
15500	Burlington, NC	0.8736
	Alamance County, NC.	
15540	Burlington-South Burlington, VT	0.9254
	Chittenden County, VT.	
	Franklin County, VT.	
	Grand Isle County, VT.	
15764	Cambridge-Newton-Framingham, MA	1.1086
	Middlesex County, MA.	
15804	Camden, NJ	1.0346
	Burlington County, NJ.	

CBSA code	Urban area (constituent counties)	Wage index
	Camden County, NJ.	
	Gloucester County, NJ.	
15940	Canton-Massillon, OH	0.8841
	Carroll County, OH.	
	Stark County, OH.	
15980	Cape Coral-Fort Myers, FL	0.9396
	Lee County, FL.	
16180	Carson City, NV	1.0128
	Carson City, NV.	
16220	Casper, WY	0.9579
	Natrona County, WY.	
16300	Cedar Rapids, IA	0.8919
	Benton County, IA.	
	Jones County, IA.	
	Linn County, IA.	
16580	Champaign-Urbana, IL	0.9461
	Champaign County, IL.	
	Ford County, IL.	
	Piatt County, IL.	
16620	Charleston, WV	0.8275
	Boone County, WV.	
	Clay County, WV.	
	Kanawha County, WV.	
	Lincoln County, WV.	
	Putnam County, WV.	
16700	Charleston-North Charleston, SC	0.9209
	Berkeley County, SC.	
	Charleston County, SC.	
	Dorchester County, SC.	
16740	Charlotte-Gastonia-Concord, NC–SC	0.9595
	Anson County, NC.	
	Cabarrus County, NC.	
	Gaston County, NC.	
	Mecklenburg County, NC.	
	Union County, NC.	
	York County, SC.	
16820	Charlottesville, VA	0.9816
	Albemarle County, VA.	
	Fluvanna County, VA.	
	Greene County, VA.	
	Nelson County, VA.	
	Charlottesville City, VA.	
16860	Chattanooga, TN–GA	0.8878
	Catoosa County, GA.	
	Dade County, GA.	
	Walker County, GA.	
	Hamilton County, TN.	
	Marion County, TN.	
	Sequatchie County, TN.	
16940	Cheyenne, WY	0.9276
	Laramie County, WY.	
16974	Chicago-Naperville-Joliet, IL	1.0399
	Cook County, IL.	
	DeKalb County, IL.	
	DuPage County, IL.	
	Grundy County, IL.	
	Kane County, IL.	
	Kendall County, IL.	
	McHenry County, IL.	
	Will County, IL.	
17020	Chico, CA	1.0897
	Butte County, CA.	
17140	Cincinnati-Middletown, OH-KY-IN	0.9687
	Dearborn County, IN.	
	Franklin County, IN.	
	Ohio County, IN.	
	Boone County, KY.	
	Bracken County, KY.	
	Campbell County, KY.	
	Gallatin County, KY.	
	Grant County, KY.	
	Kenton County, KY.	
	Pendleton County, KY.	

CBSA code	Urban area (constituent counties)	Wage index
	Brown County, OH.	
	Butler County, OH.	
	Clermont County, OH.	
	Hamilton County, OH.	
	Warren County, OH.	
17300	Clarksville, TN-KY	0.8298
	Christian County, KY.	
	Trigg County, KY.	
	Montgomery County, TN.	
	Stewart County, TN.	
17420	Cleveland, TN	0.8010
	Bradley County, TN.	
	Polk County, TN.	
17460	Cleveland-Elyria-Mentor, OH	0.9241
	Cuyahoga County, OH.	
	Geauga County, OH.	
	Lake County, OH.	
	Lorain County, OH.	
	Medina County, OH.	
17660	Coeur d'Alene, ID	0.9322
	Kootenai County, ID.	
17780	College Station-Bryan, TX	0.9346
	Brazos County, TX.	
	Burleson County, TX.	
	Robertson County, TX.	
17820	Colorado Springs, CO	0.9977
	El Paso County, CO.	
	Teller County, CO.	
17860	Columbia, MO	0.8540
	Boone County, MO.	
	Howard County, MO.	
17900	Columbia, SC	0.8933
	Calhoun County, SC.	
	Fairfield County, SC.	
	Kershaw County, SC.	
	Lexington County, SC.	
	Richland County, SC.	
	Saluda County, SC.	
17980	Columbus, GA-AL	0.8739
	Russell County, AL.	
	Chattahoochee County, GA.	
	Harris County, GA.	
	Marion County, GA.	
	Muscogee County, GA.	
18020	Columbus, IN	0.9739
	Bartholomew County, IN.	
18140	Columbus, OH	0.9943
	Delaware County, OH.	
	Fairfield County, OH.	
	Franklin County, OH.	
	Licking County, OH.	
	Madison County, OH.	
	Morrow County, OH.	
	Pickaway County, OH.	
	Union County, OH.	
18580	Corpus Christi, TX	0.8598
	Aransas County, TX.	
	Nueces County, TX.	
	San Patricio County, TX.	
18700	Corvallis, OR	1.1304
	Benton County, OR.	
19060	Cumberland, MD-WV	0.7816
	Allegany County, MD.	
	Mineral County, WV.	
19124	Dallas-Plano-Irving, TX	0.9945
	Collin County, TX.	
	Dallas County, TX.	
	Delta County, TX.	
	Denton County, TX.	
	Ellis County, TX.	
	Hunt County, TX.	
	Kaufman County, TX.	
	Rockwall County, TX.	

CBSA code	Urban area (constituent counties)	Wage index
19140	Dalton, GA	0.8705
	Murray County, GA.	
	Whitfield County, GA.	
19180	Danville, IL	0.9374
	Vermilion County, IL.	
19260	Danville, VA	0.8395
	Pittsylvania County, VA.	
	Danville City, VA.	
19340	Davenport-Moline-Rock Island, IA-IL	0.8435
	Henry County, IL.	
	Mercer County, IL.	
	Rock Island County, IL.	
	Scott County, IA.	
19380	Dayton, OH	0.9203
	Greene County, OH.	
	Miami County, OH.	
	Montgomery County, OH.	
	Preble County, OH.	
19460	Decatur, AL	0.7803
	Lawrence County, AL.	
	Morgan County, AL.	
19500	Decatur, IL	0.8145
	Macon County, IL.	
19660	Deltona-Daytona Beach-Ormond Beach, FL	0.8890
	Volusia County, FL.	
19740	Denver-Aurora, CO	1.0818
	Adams County, CO.	
	Arapahoe County, CO.	
	Broomfield County, CO.	
	Clear Creek County, CO.	
	Denver County, CO.	
	Douglas County, CO.	
	Elbert County, CO.	
	Gilpin County, CO.	
	Jefferson County, CO.	
	Park County, CO.	
19780	Des Moines, IA	0.9535
	Dallas County, IA.	
	Guthrie County, IA.	
	Madison County, IA.	
	Polk County, IA.	
	Warren County, IA.	
19804	Detroit-Livonia-Dearborn, MI	0.9958
	Wayne County, MI.	
20020	Dothan, AL	0.7613
	Geneva County, AL.	
	Henry County, AL.	
	Houston County, AL.	
20100	Dover, DE	1.0325
	Kent County, DE.	
20220	Dubuque, IA	0.8380
	Dubuque County, IA.	
20260	Duluth, MN–WI	1.0363
	Carlton County, MN.	
	St. Louis County, MN.	
	Douglas County, WI.	
20500	Durham, NC	0.9732
	Chatham County, NC.	
	Durham County, NC.	
	Orange County, NC.	
	Person County, NC.	
20740	Eau Claire, WI	0.9668
	Chippewa County, WI.	
	Eau Claire County, WI.	
20764	Edison, NJ	1.1283
	Middlesex County, NJ.	
	Monmouth County, NJ.	
	Ocean County, NJ.	
	Somerset County, NJ.	
20940	El Centro, CA	0.8746
	Imperial County, CA.	
21060	Elizabethtown, KY	0.8525
	Hardin County, KY.	

CBSA code	Urban area (constituent counties)	Wage index
	Larue County, KY.	
21140	Elkhart-Goshen, IN	0.9568
	Elkhart County, IN.	
21300	Elmira, NY	0.8247
	Chemung County, NY.	
21340	El Paso, TX	0.8694
	El Paso County, TX.	
21500	Erie, PA	0.8713
	Erie County, PA.	
21660	Eugene-Springfield, OR	1.1061
	Lane County, OR.	
21780	Evansville, IN–KY	0.8690
	Gibson County, IN.	
	Posey County, IN.	
	Vanderburgh County, IN.	
	Warrick County, IN.	
	Henderson County, KY.	
	Webster County, KY.	
21820	Fairbanks, AK	1.1297
	Fairbanks North Star Borough, AK.	
21940	Fajardo, PR	0.4061
	Ceiba Municipio, PR.	
	Fajardo Municipio, PR.	
	Luquillo Municipio, PR.	
22020	Fargo, ND-MN	0.8166
	Cass County, ND.	
	Clay County, MN.	
22140	Farmington, NM	0.8051
	San Juan County, NM.	
22180	Fayetteville, NC	0.9340
	Cumberland County, NC.	
	Hoke County, NC.	
22220	Fayetteville-Springdale-Rogers, AR-MO	0.8970
	Benton County, AR.	
	Madison County, AR.	
	Washington County, AR.	
	McDonald County, MO.	
22380	Flagstaff, AZ	1.1743
	Coconino County, AZ.	
22420	Flint, MI	1.1425
	Genesee County, MI.	
22500	Florence, SC	0.8130
	Darlington County, SC.	
	Florence County, SC.	
22520	Florence-Muscle Shoals, AL	0.7871
	Colbert County, AL.	
	Lauderdale County, AL.	
22540	Fond du Lac, WI	0.9293
	Fond du Lac County, WI.	
22660	Fort Collins-Loveland, CO	0.9867
	Larimer County, CO.	
22744	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	0.9946
	Broward County, FL.	
22900	Fort Smith, AR-OK	0.7697
	Crawford County, AR.	
	Franklin County, AR.	
	Sebastian County, AR.	
	Le Flore County, OK.	
	Sequoyah County, OK.	
23020	Fort Walton Beach-Crestview-Destin, FL	0.8769
	Okaloosa County, FL.	
23060	Fort Wayne, IN	0.9176
	Allen County, IN.	
	Wells County, IN.	
	Whitley County, IN.	
23104	Fort Worth-Arlington, TX	0.9709
	Johnson County, TX.	
	Parker County, TX.	
	Tarrant County, TX.	
	Wise County, TX.	
23420	Fresno, CA	1.1009
	Fresno County, CA.	
23460	Gadsden, AL	0.7983

CBSA code	Urban area (constituent counties)	Wage index
	Etowah County, AL.	
23540	Gainesville, FL	0.9312
	Alachua County, FL.	
	Gilchrist County, FL.	
23580	Gainesville, GA	0.9109
	Hall County, GA.	
23844	Gary, IN	0.9250
	Jasper County, IN.	
	Lake County, IN.	
	Newton County, IN.	
	Porter County, IN.	
24020	Glens Falls, NY	0.8473
	Warren County, NY.	
	Washington County, NY.	
24140	Goldsboro, NC	0.9143
	Wayne County, NC.	
24220	Grand Forks, ND–MN	0.7565
	Polk County, MN.	
	Grand Forks County, ND.	
24300	Grand Junction, CO	0.9812
	Mesa County, CO.	
24340	Grand Rapids-Wyoming, MI	0.9184
	Barry County, MI.	
	Ionia County, MI.	
	Kent County, MI.	
	Newaygo County, MI.	
24500	Great Falls, MT	0.8784
	Cascade County, MT.	
24540	Greeley, CO	0.9684
	Weld County, CO.	
24580	Green Bay, WI	0.9709
	Brown County, WI.	
	Kewaunee County, WI.	
	Oconto County, WI.	
24660	Greensboro-High Point, NC	0.9011
	Guilford County, NC.	
	Randolph County, NC.	
	Rockingham County, NC.	
24780	Greenville, NC	0.9448
	Greene County, NC.	
	Pitt County, NC.	
24860	Greenville, SC	0.9961
	Greenville County, SC.	
	Laurens County, SC.	
	Pickens County, SC.	
25020	Guayama, PR	0.3249
	Arroyo Municipio, PR.	
	Guayama Municipio, PR.	
	Patillas Municipio, PR.	
25060	Gulfport-Biloxi, MS	0.9029
	Hancock County, MS.	
	Harrison County, MS.	
	Stone County, MS.	
25180	Hagerstown-Martinsburg, MD-WV	0.8997
	Washington County, MD.	
	Berkeley County, WV.	
	Morgan County, WV.	
25260	Hanford-Corcoran, CA	1.0870
	Kings County, CA.	
25420	Harrisburg-Carlisle, PA	0.9153
	Cumberland County, PA.	
	Dauphin County, PA.	
	Perry County, PA.	
25500	Harrisonburg, VA	0.8894
	Rockingham County, VA.	
	Harrisonburg City, VA.	
25540	Hartford-West Hartford-East Hartford, CT	1.1069
	Hartford County, CT.	
	Litchfield County, CT.	
	Middlesex County, CT.	
	Tolland County, CT.	
25620	Hattiesburg, MS	0.7337
	Forrest County, MS.	

CBSA code	Urban area (constituent counties)	Wage index
	Lamar County, MS.	
	Perry County, MS.	
25860	Hickory-Lenoir-Morganton, NC	0.8976
	Alexander County, NC.	
	Burke County, NC.	
	Caldwell County, NC.	
	Catawba County, NC.	
25980 [1]	Hinesville-Fort Stewart, GA	0.9110
	Liberty County, GA.	
	Long County, GA.	
26100	Holland-Grand Haven, MI	0.9008
	Ottawa County, MI.	
26180	Honolulu, HI	1.1811
	Honolulu County, HI.	
26300	Hot Springs, AR	0.9113
	Garland County, AR.	
26380	Houma-Bayou Cane-Thibodaux, LA	0.7758
	Lafourche Parish, LA.	
	Terrebonne Parish, LA.	
26420	Houston-Baytown-Sugar Land, TX	0.9838
	Austin County, TX.	
	Brazoria County, TX.	
	Chambers County, TX.	
	Fort Bend County, TX.	
	Galveston County, TX.	
	Harris County, TX.	
	Liberty County, TX.	
	Montgomery County, TX.	
	San Jacinto County, TX.	
	Waller County, TX.	
26580	Huntington-Ashland, WV-KY-OH	0.9254
	Boyd County, KY.	
	Greenup County, KY.	
	Lawrence County, OH.	
	Cabell County, WV.	
	Wayne County, WV.	
26620	Huntsville, AL	0.9082
	Limestone County, AL.	
	Madison County, AL.	
26820	Idaho Falls, ID	0.9080
	Bonneville County, ID.	
	Jefferson County, ID.	
26900	Indianapolis, IN	0.9908
	Boone County, IN.	
	Brown County, IN.	
	Hamilton County, IN.	
	Hancock County, IN.	
	Hendricks County, IN.	
	Johnson County, IN.	
	Marion County, IN.	
	Morgan County, IN.	
	Putnam County, IN.	
	Shelby County, IN.	
26980	Iowa City, IA	0.9483
	Johnson County, IA.	
	Washington County, IA.	
27060	Ithaca, NY	0.9614
	Tompkins County, NY.	
27100	Jackson, MI	0.9309
	Jackson County, MI.	
27140	Jackson, MS	0.8067
	Copiah County, MS.	
	Hinds County, MS.	
	Madison County, MS.	
	Rankin County, MS.	
	Simpson County, MS.	
27180	Jackson, TN	0.8523
	Chester County, TN.	
	Madison County, TN.	
27260	Jacksonville, FL	0.8999
	Baker County, FL.	
	Clay County, FL.	
	Duval County, FL.	

CBSA code	Urban area (constituent counties)	Wage index
	Nassau County, FL.	
	St. Johns County, FL.	
27340	Jacksonville, NC	0.8177
	Onslow County, NC.	
27500	Janesville, WI	0.9662
	Rock County, WI.	
27620	Jefferson City, MO	0.8775
	Callaway County, MO.	
	Cole County, MO.	
	Moniteau County, MO.	
	Osage County, MO.	
27740	Johnson City, TN	0.7971
	Carter County, TN.	
	Unicoi County, TN.	
	Washington County, TN.	
27780	Johnstown, PA	0.7920
	Cambria County, PA.	
27860	Jonesboro, AR	0.7916
	Craighead County, AR.	
	Poinsett County, AR.	
27900	Joplin, MO	0.9406
	Jasper County, MO.	
	Newton County, MO.	
28020	Kalamazoo-Portage, MI	1.0801
	Kalamazoo County, MI.	
	Van Buren County, MI.	
28100	Kankakee-Bradley, IL	1.0485
	Kankakee County, IL.	
28140	Kansas City, MO-KS	0.9610
	Franklin County, KS.	
	Johnson County, KS.	
	Leavenworth County, KS.	
	Linn County, KS.	
	Miami County, KS.	
	Wyandotte County, KS.	
	Bates County, MO.	
	Caldwell County, MO.	
	Cass County, MO.	
	Clay County, MO.	
	Clinton County, MO.	
	Jackson County, MO.	
	Lafayette County, MO.	
	Platte County, MO.	
	Ray County, MO.	
28420	Kennewick-Richland-Pasco, WA	0.9911
	Benton County, WA.	
	Franklin County, WA.	
28660	Killeen-Temple-Fort Hood, TX	0.8765
	Bell County, TX.	
	Coryell County, TX.	
	Lampasas County, TX.	
28700	Kingsport-Bristol-Bristol, TN-VA	0.7743
	Hawkins County, TN.	
	Sullivan County, TN.	
	Bristol City, VA.	
	Scott County, VA.	
	Washington County, VA.	
28740	Kingston, NY	0.9375
	Ulster County, NY.	
28940	Knoxville, TN	0.7881
	Anderson County, TN.	
	Blount County, TN.	
	Knox County, TN.	
	Loudon County, TN.	
	Union County, TN.	
29020	Kokomo, IN	0.9349
	Howard County, IN.	
	Tipton County, IN.	
29100	La Crosse, WI–MN	0.9758
	Houston County, MN.	
	La Crosse County, WI.	
29140	Lafayette, IN	0.9221
	Benton County, IN.	

CBSA code	Urban area (constituent counties)	Wage index
	Carroll County, IN.	
	Tippecanoe County, IN.	
29180	Lafayette, LA	0.8374
	Lafayette Parish, LA.	
	St. Martin Parish, LA.	
29340	Lake Charles, LA	0.7556
	Calcasieu Parish, LA.	
	Cameron Parish, LA.	
29404	Lake County-Kenosha County, IL-WI	1.0389
	Lake County, IL.	
	Kenosha County, WI.	
29420	Lake Havasu City-Kingman, AZ	0.9797
29460	Lakeland, FL	0.8530
	Polk County, FL.	
29540	Lancaster, PA	0.9363
	Lancaster County, PA.	
29620	Lansing-East Lansing, MI	0.9931
	Clinton County, MI.	
	Eaton County, MI.	
	Ingham County, MI.	
29700	Laredo, TX	0.8366
	Webb County, TX.	
29740	Las Cruces, NM	0.8929
	Dona Ana County, NM.	
29820	Las Vegas-Paradise, NV	1.1971
	Clark County, NV.	
29940	Lawrence, KS	0.8343
	Douglas County, KS.	
30020	Lawton, OK	0.8211
	Comanche County, OK.	
30140	Lebanon, PA	0.8954
	Lebanon County, PA.	
30300	Lewiston, ID-WA	0.9465
	Nez Perce County, ID.	
	Asotin County, WA.	
30340	Lewiston-Auburn, ME	0.9200
	Androscoggin County, ME.	
30460	Lexington-Fayette, KY	0.9110
	Bourbon County, KY.	
	Clark County, KY.	
	Fayette County, KY.	
	Jessamine County, KY.	
	Scott County, KY.	
	Woodford County, KY.	
30620	Lima, OH	0.9427
	Allen County, OH.	
30700	Lincoln, NE	0.9759
	Lancaster County, NE.	
	Seward County, NE.	
30780	Little Rock-North Little Rock, AR	0.8672
	Faulkner County, AR.	
	Grant County, AR.	
	Lonoke County, AR.	
	Perry County, AR.	
	Pulaski County, AR.	
	Saline County, AR.	
30860	Logan, UT–ID	0.8765
	Franklin County, ID.	
	Cache County, UT.	
30980	Longview, TX	0.8370
	Gregg County, TX.	
	Rusk County, TX.	
	Upshur County, TX.	
31020	Longview, WA	1.1207
	Cowlitz County, WA.	
31084	Los Angeles-Long Beach-Glendale, CA	1.2208
	Los Angeles County, CA.	
31140	Louisville, KY-IN	0.9249
	Clark County, IN.	
	Floyd County, IN.	
	Harrison County, IN.	
	Washington County, IN.	
	Bullitt County, KY.	

CBSA code	Urban area (constituent counties)	Wage index
	Henry County, KY.	
	Jefferson County, KY.	
	Meade County, KY.	
	Nelson County, KY.	
	Oldham County, KY.	
	Shelby County, KY.	
	Spencer County, KY.	
	Trimble County, KY.	
31180	Lubbock, TX	0.8731
	Crosby County, TX.	
	Lubbock County, TX.	
31340	Lynchburg, VA	0.8774
	Amherst County, VA.	
	Appomattox County, VA.	
	Bedford County, VA.	
	Campbell County, VA.	
	Bedford City, VA.	
	Lynchburg City, VA.	
31420	Macon, GA	0.9570
	Bibb County, GA.	
	Crawford County, GA.	
	Jones County, GA.	
	Monroe County, GA.	
	Twiggs County, GA.	
31460	Madera, CA	0.7939
	Madera County, CA.	
31540	Madison, WI	1.0967
	Columbia County, WI.	
	Dane County, WI.	
	Iowa County, WI.	
31700	Manchester-Nashua, NH	1.0359
	Hillsborough County, NH.	
	Merrimack County, NH.	
31900	Mansfield, OH	0.9330
	Richland County, OH.	
32420	Mayagüez, PR	0.3940
	Hormigueros Municipio, PR.	
	Mayagüez Municipio, PR.	
32580	McAllen-Edinburg-Pharr, TX	0.9009
	Hidalgo County, TX.	
32780	Medford, OR	1.0244
	Jackson County, OR.	
32820	Memphis, TN-MS-AR	0.9232
	Crittenden County, AR.	
	DeSoto County, MS.	
	Marshall County, MS.	
	Tate County, MS.	
	Tunica County, MS.	
	Fayette County, TN.	
	Shelby County, TN.	
	Tipton County, TN.	
32900	Merced, CA	1.2243
	Merced County, CA.	
33124	Miami-Miami Beach-Kendall, FL	0.9830
	Miami-Dade County, FL.	
33140	Michigan City-La Porte, IN	0.9159
	LaPorte County, IN.	
33260	Midland, TX	0.9827
	Midland County, TX.	
33340	Milwaukee-Waukesha-West Allis, WI	1.0080
	Milwaukee County, WI.	
	Ozaukee County, WI.	
	Washington County, WI.	
	Waukesha County, WI.	
33460	Minneapolis-St. Paul-Bloomington, MN–WI	1.1150
	Anoka County, MN.	
	Carver County, MN.	
	Chisago County, MN.	
	Dakota County, MN.	
	Hennepin County, MN.	
	Isanti County, MN.	
	Ramsey County, MN.	
	Scott County, MN.	

CBSA code	Urban area (constituent counties)	Wage index
	Sherburne County, MN.	
	Washington County, MN.	
	Wright County, MN.	
	Pierce County, WI.	
	St. Croix County, WI.	
33540	Missoula, MT	0.8973
	Missoula County, MT.	
33660	Mobile, AL	0.7908
	Mobile County, AL.	
33700	Modesto, CA	1.2194
	Stanislaus County, CA.	
33740	Monroe, LA	0.7900
	Ouachita Parish, LA.	
	Union Parish, LA.	
33780	Monroe, MI	0.8941
	Monroe County, MI.	
33860	Montgomery, AL	0.8283
	Autauga County, AL.	
	Elmore County, AL.	
	Lowndes County, AL.	
	Montgomery County, AL.	
34060	Morgantown, WV	0.8528
	Monongalia County, WV.	
	Preston County, WV.	
34100	Morristown, TN	0.7254
	Grainger County, TN.	
	Hamblen County, TN.	
	Jefferson County, TN.	
34580	Mount Vernon-Anacortes, WA	1.0292
	Skagit County, WA.	
34620	Muncie, IN	0.8489
	Delaware County, IN.	
34740	Muskegon-Norton Shores, MI	1.0055
	Muskegon County, MI.	
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	0.8652
	Horry County, SC.	
34900	Napa, CA	1.4520
	Napa County, CA.	
34940	Naples-Marco Island, FL	0.9672
	Collier County, FL.	
34980	Nashville-Davidson-Murfreesboro, TN	0.9504
	Cannon County, TN.	
	Cheatham County, TN.	
	Davidson County, TN.	
	Dickson County, TN.	
	Hickman County, TN.	
	Macon County, TN.	
	Robertson County, TN.	
	Rutherford County, TN.	
	Smith County, TN.	
	Sumner County, TN.	
	Trousdale County, TN.	
	Williamson County, TN.	
	Wilson County, TN.	
35004	Nassau-Suffolk, NY	1.2453
	Nassau County, NY.	
	Suffolk County, NY.	
35084	Newark-Union, NJ-PA	1.1731
	Essex County, NJ.	
	Hunterdon County, NJ.	
	Morris County, NJ.	
	Sussex County, NJ.	
	Union County, NJ.	
	Pike County, PA.	
35300	New Haven-Milford, CT	1.1742
	New Haven County, CT.	
35380	New Orleans-Metairie-Kenner, LA	0.9103
	Jefferson Parish, LA.	
	Orleans Parish, LA.	
	Plaquemines Parish, LA.	
	St. Bernard Parish, LA.	
	St. Charles Parish, LA.	
	St. John the Baptist Parish, LA.	

CBSA code	Urban area (constituent counties)	Wage index
	St. Tammany Parish, LA.	
35644	New York-Wayne-White Plains, NY-NJ	1.2885
	Bergen County, NJ.	
	Hudson County, NJ.	
	Passaic County, NJ.	
	Bronx County, NY.	
	Kings County, NY.	
	New York County, NY.	
	Putnam County, NY.	
	Queens County, NY.	
	Richmond County, NY.	
	Rockland County, NY.	
	Westchester County, NY.	
35660	Niles-Benton Harbor, MI	0.9066
	Berrien County, MI.	
35980	Norwich-New London, CT	1.1398
	New London County, CT.	
36084	Oakland-Fremont-Hayward, CA	1.6092
	Alameda County, CA.	
	Contra Costa County, CA.	
36100	Ocala, FL	0.8512
	Marion County, FL.	
36140	Ocean City, NJ	1.1496
	Cape May County, NJ.	
36220	Odessa, TX	0.9475
	Ector County, TX.	
36260	Ogden-Clearfield, UT	0.9153
	Davis County, UT.	
	Morgan County, UT.	
	Weber County, UT.	
36420	Oklahoma City, OK	0.8724
	Canadian County, OK.	
	Cleveland County, OK.	
	Grady County, OK.	
	Lincoln County, OK.	
	Logan County, OK.	
	McClain County, OK.	
	Oklahoma County, OK.	
36500	Olympia, WA	1.1537
	Thurston County, WA.	
36540	Omaha-Council Bluffs, NE-IA	0.9441
	Harrison County, IA.	
	Mills County, IA.	
	Pottawattamie County, IA.	
	Cass County, NE.	
	Douglas County, NE.	
	Sarpy County, NE.	
	Saunders County, NE.	
	Washington County, NE.	
36740	Orlando, FL	0.9111
	Lake County, FL.	
	Orange County, FL.	
	Osceola County, FL.	
	Seminole County, FL.	
36780	Oshkosh-Neenah, WI	0.9474
	Winnebago County, WI.	
36980	Owensboro, KY	0.8685
	Daviess County, KY.	
	Hancock County, KY.	
	McLean County, KY.	
37100	Oxnard-Thousand Oaks-Ventura, CA	1.1951
	Ventura County, CA.	
37340	Palm Bay-Melbourne-Titusville, FL	0.9332
	Brevard County, FL.	
37380	Palm Coast, FL	0.8963
	Flagler County, FL.	
37460	Panama City-Lynn Haven, FL	0.8360
	Bay County, FL.	
37620	Parkersburg-Marietta, WV–OH	0.7867
	Washington County, OH.	
	Pleasants County, WV.	
	Wirt County, WV.	
	Wood County, WV.	

CBSA code	Urban area (constituent counties)	Wage index
37700	Pascagoula, MS	0.8102
	George County, MS.	
	Jackson County, MS.	
37764	Peabody, MA	1.0747
	Essex County, MA.	
37860	Pensacola-Ferry Pass-Brent, FL	0.8242
	Escambia County, FL.	
	Santa Rosa County, FL.	
37900	Peoria, IL	0.9038
	Marshall County, IL.	
	Peoria County, IL.	
	Stark County, IL.	
	Tazewell County, IL.	
	Woodford County, IL.	
37964	Philadelphia, PA	1.0979
	Bucks County, PA.	
	Chester County, PA.	
	Delaware County, PA.	
	Montgomery County, PA.	
	Philadelphia County, PA.	
38060	Phoenix-Mesa-Scottsdale, AZ	1.0379
	Maricopa County, AZ.	
	Pinal County, AZ.	
38220	Pine Bluff, AR	0.7926
	Cleveland County, AR.	
	Jefferson County, AR.	
	Lincoln County, AR.	
38300	Pittsburgh, PA	0.8678
	Allegheny County, PA.	
	Armstrong County, PA.	
	Beaver County, PA.	
	Butler County, PA.	
	Fayette County, PA.	
	Washington County, PA.	
	Westmoreland County, PA.	
38340	Pittsfield, MA	1.0445
	Berkshire County, MA.	
38540	Pocatello, ID	0.9343
	Bannock County, ID.	
	Power County, ID.	
38660	Ponce, PR	0.4289
	Juana Díaz Municipio, PR.	
	Ponce Municipio, PR.	
	Villalba Municipio, PR.	
38860	Portland-South Portland-Biddeford, ME	0.9942
	Cumberland County, ME.	
	Sagadahoc County, ME.	
	York County, ME.	
38900	Portland-Vancouver-Beaverton, OR-WA	1.1456
	Clackamas County, OR.	
	Columbia County, OR.	
	Multnomah County, OR.	
	Washington County, OR.	
	Yamhill County, OR.	
	Clark County, WA.	
	Skamania County, WA.	
38940	Port St. Lucie-Fort Pierce, FL	0.9870
	Martin County, FL.	
	St. Lucie County, FL.	
39100	Poughkeepsie-Newburgh-Middletown, NY	1.0920
	Dutchess County, NY.	
	Orange County, NY.	
39140	Prescott, AZ	1.0221
	Yavapai County, AZ.	
39300	Providence-New Bedford-Fall River, RI-MA	1.0696
	Bristol County, MA.	
	Bristol County, RI.	
	Kent County, RI.	
	Newport County, RI.	
	Providence County, RI.	
	Washington County, RI.	
39340	Provo-Orem, UT	0.9381
	Juab County, UT.	

CBSA code	Urban area (constituent counties)	Wage index
	Utah County, UT.	
39380	Pueblo, CO	0.8713
	Pueblo County, CO.	
39460	Punta Gorda, FL	0.8976
	Charlotte County, FL.	
39540	Racine, WI	0.9054
	Racine County, WI.	
39580	Raleigh-Cary, NC	0.9817
	Franklin County, NC.	
	Johnston County, NC.	
	Wake County, NC.	
39660	Rapid City, SD	0.9598
	Meade County, SD.	
	Pennington County, SD.	
39740	Reading, PA	0.9242
	Berks County, PA.	
39820	Redding, CA	1.3731
	Shasta County, CA.	
39900	Reno-Sparks, NV	1.0317
	Storey County, NV.	
	Washoe County, NV.	
40060	Richmond, VA	0.9363
	Amelia County, VA.	
	Caroline County, VA.	
	Charles City County, VA.	
	Chesterfield County, VA.	
	Cumberland County, VA.	
	Dinwiddie County, VA.	
	Goochland County, VA.	
	Hanover County, VA.	
	Henrico County, VA.	
	King and Queen County, VA.	
	King William County, VA.	
	Louisa County, VA.	
	New Kent County, VA.	
	Powhatan County, VA.	
	Prince George County, VA.	
	Sussex County, VA.	
	Colonial Heights City, VA.	
	Hopewell City, VA.	
	Petersburg City, VA.	
	Richmond City, VA.	
40140	Riverside-San Bernardino-Ontario, CA	1.1468
	Riverside County, CA.	
	San Bernardino County, CA.	
40220	Roanoke, VA	0.8660
	Botetourt County, VA.	
	Craig County, VA.	
	Franklin County, VA.	
	Roanoke County, VA.	
	Roanoke City, VA.	
	Salem City, VA.	
40340	Rochester, MN	1.1214
	Dodge County, MN.	
	Olmsted County, MN.	
	Wabasha County, MN.	
40380	Rochester, NY	0.8811
	Livingston County, NY.	
	Monroe County, NY.	
	Ontario County, NY.	
	Orleans County, NY.	
	Wayne County, NY.	
40420	Rockford, IL	0.9835
	Boone County, IL.	
	Winnebago County, IL.	
40484	Rockingham County-Strafford County, NH	0.9926
	Rockingham County, NH.	
	Strafford County, NH.	
40580	Rocky Mount, NC	0.9031
	Edgecombe County, NC.	
	Nash County, NC.	
40660	Rome, GA	0.9134
	Floyd County, GA.	

CBSA code	Urban area (constituent counties)	Wage index
40900	Sacramento—Arden-Arcade—Roseville, CA	1.3572
	El Dorado County, CA.	
	Placer County, CA.	
	Sacramento County, CA.	
	Yolo County, CA.	
40980	Saginaw-Saginaw Township North, MI	0.8702
	Saginaw County, MI.	
41060	St. Cloud, MN	1.0976
	Benton County, MN.	
	Stearns County, MN.	
41100	St. George, UT	0.9021
	Washington County, UT.	
41140	St. Joseph, MO–KS	1.0380
	Doniphan County, KS.	
	Andrew County, MO.	
	Buchanan County, MO.	
	DeKalb County, MO.	
41180	St. Louis, MO-IL	0.9006
	Bond County, IL.	
	Calhoun County, IL.	
	Clinton County, IL.	
	Jersey County, IL.	
	Macoupin County, IL.	
	Madison County, IL.	
	Monroe County, IL.	
	St. Clair County, IL.	
	Crawford County, MO.	
	Franklin County, MO.	
	Jefferson County, MO.	
	Lincoln County, MO.	
	St. Charles County, MO.	
	St. Louis County, MO.	
	Warren County, MO.	
	Washington County, MO.	
	St. Louis City, MO.	
41420	Salem, OR	1.0884
	Marion County, OR.	
	Polk County, OR.	
41500	Salinas, CA	1.4987
	Monterey County, CA.	
41540	Salisbury, MD	0.9246
	Somerset County, MD.	
	Wicomico County, MD.	
41620	Salt Lake City, UT	0.9158
	Salt Lake County, UT.	
	Summit County, UT.	
	Tooele County, UT.	
41660	San Angelo, TX	0.8424
	Irion County, TX.	
	Tom Green County, TX.	
41700	San Antonio, TX	0.8856
	Atascosa County, TX.	
	Bandera County, TX.	
	Bexar County, TX.	
	Comal County, TX.	
	Guadalupe County, TX.	
	Kendall County, TX.	
	Medina County, TX.	
	Wilson County, TX.	
41740	San Diego-Carlsbad-San Marcos, CA	1.1538
	San Diego County, CA.	
41780	Sandusky, OH	0.8870
	Erie County, OH.	
41884	San Francisco-San Mateo-Redwood City, CA	1.5529
	Marin County, CA.	
	San Francisco County, CA.	
	San Mateo County, CA.	
41900	San Germán-Cabo Rojo, PR	0.4756
	Cabo Rojo Municipio, PR.	
	Lajas Municipio, PR.	
	Sabana Grande Municipio, PR.	
	San Germán Municipio, PR.	
41940	San Jose-Sunnyvale-Santa Clara, CA	1.6141

CBSA code	Urban area (constituent counties)	Wage index
	San Benito County, CA.	
	Santa Clara County, CA.	
41980	San Juan-Caguas-Guaynabo, PR	0.4393
	Aguas Buenas Municipio, PR.	
	Aibonito Municipio, PR.	
	Arecibo Municipio, PR.	
	Barceloneta Municipio, PR.	
	Barranquitas Municipio, PR.	
	Bayamón Municipio, PR.	
	Caguas Municipio, PR.	
	Camuy Municipio, PR.	
	Canóvanas Municipio, PR.	
	Carolina Municipio, PR.	
	Cataño Municipio, PR.	
	Cayey Municipio, PR.	
	Ciales Municipio, PR.	
	Cidra Municipio, PR.	
	Comerío Municipio, PR.	
	Corozal Municipio, PR.	
	Dorado Municipio, PR.	
	Florida Municipio, PR.	
	Guaynabo Municipio, PR.	
	Gurabo Municipio, PR.	
	Hatillo Municipio, PR.	
	Humacao Municipio, PR.	
	Juncos Municipio, PR.	
	Las Piedras Municipio, PR.	
	Loíza Municipio, PR.	
	Manatí Municipio, PR.	
	Maunabo Municipio, PR.	
	Morovis Municipio, PR.	
	Naguabo Municipio, PR.	
	Naranjito Municipio, PR.	
	Orocovis Municipio, PR.	
	Quebradillas Municipio, PR.	
	Río Grande Municipio, PR.	
	San Juan Municipio, PR.	
	San Lorenzo Municipio, PR.	
	Toa Alta Municipio, PR.	
	Toa Baja Municipio, PR.	
	Trujillo Alto Municipio, PR.	
	Vega Alta Municipio, PR.	
	Vega Baja Municipio, PR.	
	Yabucoa Municipio, PR.	
42020	San Luis Obispo-Paso Robles, CA	1.2441
	San Luis Obispo County, CA.	
42044	Santa Ana-Anaheim-Irvine, CA	1.1993
	Orange County, CA.	
42060	Santa Barbara-Santa Maria-Goleta, CA	1.1909
	Santa Barbara County, CA.	
42100	Santa Cruz-Watsonville, CA	1.6429
	Santa Cruz County, CA.	
42140	Santa Fe, NM	1.0610
	Santa Fe County, NM.	
42220	Santa Rosa-Petaluma, CA	1.5528
	Sonoma County, CA.	
42340	Savannah, GA	0.9152
	Bryan County, GA.	
	Chatham County, GA.	
	Effingham County, GA.	
42540	Scranton—Wilkes-Barre, PA	0.8333
	Lackawanna County, PA.	
	Luzerne County, PA.	
	Wyoming County, PA.	
42644	Seattle-Bellevue-Everett, WA	1.1755
	King County, WA.	
	Snohomish County, WA.	
42680	Sebastian-Vero Beach, FL	0.9217
43100	Sheboygan, WI	0.8920
	Sheboygan County, WI.	
43300	Sherman-Denison, TX	0.9024
	Grayson County, TX.	
43340	Shreveport-Bossier City, LA	0.8442

CBSA code	Urban area (constituent counties)	Wage index
	Bossier Parish, LA.	
	Caddo Parish, LA.	
	De Soto Parish, LA.	
43580	Sioux City, IA-NE-SD	0.8915
	Woodbury County, IA.	
	Dakota County, NE.	
	Dixon County, NE.	
	Union County, SD.	
43620	Sioux Falls, SD	0.9354
	Lincoln County, SD.	
	McCook County, SD.	
	Minnehaha County, SD.	
	Turner County, SD.	
43780	South Bend-Mishawaka, IN–MI	0.9761
	St. Joseph County, IN.	
	Cass County, MI.	
43900	Spartanburg, SC	0.9025
	Spartanburg County, SC.	
44060	Spokane, WA	1.0559
	Spokane County, WA.	
44100	Springfield, IL	0.9102
	Menard County, IL.	
	Sangamon County, IL.	
44140	Springfield, MA	1.0405
	Franklin County, MA.	
	Hampden County, MA.	
	Hampshire County, MA.	
44180	Springfield, MO	0.8424
	Christian County, MO.	
	Dallas County, MO.	
	Greene County, MO.	
	Polk County, MO.	
	Webster County, MO.	
44220	Springfield, OH	0.8876
	Clark County, OH.	
44300	State College, PA	0.8937
	Centre County, PA.	
44700	Stockton, CA	1.2015
	San Joaquin County, CA.	
44940	Sumter, SC	0.8257
	Sumter County, SC.	
45060	Syracuse, NY	0.9787
	Madison County, NY.	
	Onondaga County, NY.	
	Oswego County, NY.	
45104	Tacoma, WA	1.1241
	Pierce County, WA.	
45220	Tallahassee, FL	0.8964
	Gadsden County, FL.	
	Jefferson County, FL.	
	Leon County, FL.	
	Wakulla County, FL.	
45300	Tampa-St. Petersburg-Clearwater, FL	0.8852
	Hernando County, FL.	
	Hillsborough County, FL.	
	Pasco County, FL.	
	Pinellas County, FL.	
45460	Terre Haute, IN	0.9085
	Clay County, IN.	
	Sullivan County, IN.	
	Vermillion County, IN.	
	Vigo County, IN.	
45500	Texarkana, TX-Texarkana, AR	0.8144
	Miller County, AR.	
	Bowie County, TX.	
45780	Toledo, OH	0.9407
	Fulton County, OH.	
	Lucas County, OH.	
	Ottawa County, OH.	
	Wood County, OH.	
45820	Topeka, KS	0.8756
	Jackson County, KS.	
	Jefferson County, KS.	

CBSA code	Urban area (constituent counties)	Wage index
	Osage County, KS.	
	Shawnee County, KS.	
	Wabaunsee County, KS.	
45940	Trenton-Ewing, NJ	1.0604
	Mercer County, NJ.	
46060	Tucson, AZ	0.9229
	Pima County, AZ.	
46140	Tulsa, OK	0.8445
	Creek County, OK.	
	Okmulgee County, OK.	
	Osage County, OK.	
	Pawnee County, OK.	
	Rogers County, OK.	
	Tulsa County, OK.	
	Wagoner County, OK.	
46220	Tuscaloosa, AL	0.8496
	Greene County, AL.	
	Hale County, AL.	
	Tuscaloosa County, AL.	
46340	Tyler, TX	0.8804
	Smith County, TX.	
46540	Utica-Rome, NY	0.8404
	Herkimer County, NY.	
	Oneida County, NY.	
46660	Valdosta, GA	0.8027
	Brooks County, GA.	
	Echols County, GA.	
	Lanier County, GA.	
	Lowndes County, GA.	
46700	Vallejo-Fairfield, CA	1.4359
	Solano County, CA.	
47020	Victoria, TX	0.8124
	Calhoun County, TX.	
	Goliad County, TX.	
	Victoria County, TX.	
47220	Vineland-Millville-Bridgeton, NJ	1.0366
	Cumberland County, NJ.	
47260	Virginia Beach-Norfolk-Newport News, VA-NC	0.8884
	Currituck County, NC.	
	Gloucester County, VA.	
	Isle of Wight County, VA.	
	James City County, VA.	
	Mathews County, VA.	
	Surry County, VA.	
	York County, VA.	
	Chesapeake City, VA.	
	Hampton City, VA.	
	Newport News City, VA.	
	Norfolk City, VA.	
	Poquoson City, VA.	
	Portsmouth City, VA.	
	Suffolk City, VA.	
	Virginia Beach City, VA.	
	Williamsburg City, VA.	
47300	Visalia-Porterville, CA	1.0144
	Tulare County, CA.	
47380	Waco, TX	0.8596
	McLennan County, TX.	
47580	Warner Robins, GA	0.8989
	Houston County, GA.	
47644	Warren-Farmington Hills-Troy, MI	0.9904
	Lapeer County, MI.	
	Livingston County, MI.	
	Macomb County, MI.	
	Oakland County, MI.	
	St. Clair County, MI.	
47894	Washington-Arlington-Alexandria, DC–VA–MD–WV	1.0827
	District of Columbia, DC.	
	Calvert County, MD.	
	Charles County, MD.	
	Prince George's County, MD.	
	Arlington County, VA.	
	Clarke County, VA.	

CBSA code	Urban area (constituent counties)	Wage index
	Fairfax County, VA.	
	Fauquier County, VA.	
	Loudoun County, VA.	
	Prince William County, VA.	
	Spotsylvania County, VA.	
	Stafford County, VA.	
	Warren County, VA.	
	Alexandria City, VA.	
	Fairfax City, VA.	
	Falls Church City, VA.	
	Fredericksburg City, VA.	
	Manassas City, VA.	
	Manassas Park City, VA.	
	Jefferson County, WV.	
47940	Waterloo-Cedar Falls, IA	0.8490
	Black Hawk County, IA.	
	Bremer County, IA.	
	Grundy County, IA.	
48140	Wausau, WI	0.9615
	Marathon County, WI.	
48260	Weirton-Steubenville, WV–OH	0.8079
	Jefferson County, OH.	
	Brooke County, WV.	
	Hancock County, WV.	
48300	Wenatchee, WA	0.9544
	Chelan County, WA.	
	Douglas County, WA.	
48424	West Palm Beach-Boca Raton-Boynton Beach, FL	0.9757
	Palm Beach County, FL.	
48540	Wheeling, WV–OH	0.6955
	Belmont County, OH.	
	Marshall County, WV.	
	Ohio County, WV.	
48620	Wichita, KS	0.9069
	Butler County, KS.	
	Harvey County, KS.	
	Sedgwick County, KS.	
	Sumner County, KS.	
48660	Wichita Falls, TX	0.8832
	Archer County, TX.	
	Clay County, TX.	
	Wichita County, TX.	
48700	Williamsport, PA	0.8096
	Lycoming County, PA.	
48864	Wilmington, DE–MD–NJ	1.0696
	New Castle County, DE.	
	Cecil County, MD.	
	Salem County, NJ.	
48900	Wilmington, NC	0.9089
	Brunswick County, NC.	
	New Hanover County, NC.	
	Pender County, NC.	
49020	Winchester, VA–WV	0.9801
	Frederick County, VA.	
	Winchester City, VA.	
	Hampshire County, WV.	
49180	Winston-Salem, NC	0.9016
	Davie County, NC.	
	Forsyth County, NC.	
	Stokes County, NC.	
	Yadkin County, NC.	
49340	Worcester, MA	1.0836
	Worcester County, MA.	
49420	Yakima, WA	0.9948
	Yakima County, WA.	
49500	Yauco, PR	0.3432
	Guánica Municipio, PR.	
	Guayanilla Municipio, PR.	
	Peñuelas Municipio, PR.	
	Yauco Municipio, PR.	
49620	York-Hanover, PA	0.9518
	York County, PA.	
49660	Youngstown-Warren-Boardman, OH–PA	0.8915

CBSA code	Urban area (constituent counties)	Wage index
	Mahoning County, OH.	
	Trumbull County, OH.	
	Mercer County, PA.	
49700	Yuba City, CA	1.1137
	Sutter County, CA.	
	Yuba County, CA.	
49740	Yuma, AZ	0.9281
	Yuma County, AZ.	

[1] At this time, there are no hospitals in these urban areas on which to base a wage index. Therefore, the urban wage index value is based on the average wage index of all urban areas within the State.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2008–N–0572]

Agency Emergency Processing Under Office of Management and Budget Review; Implementation of the Animal Generic Drug User Fee Act of 2008; User Fee Cover Sheet Form FDA 3728

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that a proposed collection of information has been submitted to the Office of Management and Budget (OMB) for emergency processing under the Paperwork Reduction Act of 1995 (the PRA). The proposed collection of information concerns the burden hours required for the Animal Generic Drug User Fee Cover Sheet, Form FDA 3728 and the timeframe requirement under the Animal Generic Drug User Fee Act of 2008 (AGDUFA) (21 U.S.C. 379j–21) for implementing the new user fee cover sheet Form FDA 3728.

DATES: Fax written comments on the collection of information by November 10, 2008.

ADDRESSES: To ensure that comments on the information collection are received, OMB recommends that written comments be faxed to the Office of Information and Regulatory Affairs, OMB, Attn: FDA Desk Officer, FAX: 202–395–6974, or e-mailed to *oira_submission@omb.eop.gov*. All comments should be identified with the OMB control number 0910–NEW and ''Implementation of the Animal Generic Drug User Fee Act of 2008 (21 U.S.C. 379j–21(a)); User Fee Cover Sheet Form 3728; Emergency Request.'' Also include the FDA docket number found in brackets in the heading of this document.

FOR FURTHER INFORMATION CONTACT: Denver Presley, Jr., Office of Information Management (HFA–710), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–796–3793.

SUPPLEMENTARY INFORMATION: FDA is requesting emergency processing of this proposed collection of information under section 3507(j) of the PRA (44 U.S.C. 3507(j) and 5 CFR 1320.13). The Federal Food, Drug, and Cosmetic Act (the act), as amended by AGDUFA authorizes FDA to collect user fees: (1) For certain abbreviated applications for a generic new animal drug, (2) on certain generic new animal drug products, and (3) on certain sponsors of such abbreviated applications for generic new animal drugs and/or investigational submissions for generic new animal drugs.

With respect to the following collection of information, FDA invites comments on these topics: (1) Whether the proposed collection of information is necessary for the proper performance of FDA's functions, including whether the information will have practical utility; (2) the accuracy of FDA's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Implementation of the Animal Generic Drug User Fee Act of 2008; User Fee Cover Sheet Form FDA 3728 (21 U.S.C. 379j–21); Emergency Request

Section 741 of the act (21 U.S.C. 379j–21), establishes three different kinds of user fees: (1) Fees for certain types of abbreviated applications for generic new animal drugs, (2) annual fees for certain generic new animal drug products, and (3) annual fees for certain sponsors of abbreviated applications for generic new animal drugs and/or investigational submissions for generic new animal drugs. Because the submission of user fees concurrently with applications is required, the review of an application cannot begin until the fee is submitted. Form FDA 3728, the Animal Generic Drug User Fee Cover Sheet, is designed to provide the minimum necessary information in order to: (1) Determine whether a fee is required for review of an application, (2) determine the amount of fee required, and (3) account for and track user fees.

FDA estimates the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN[1]

21 U.S.C. 379j–21.	No. of Respondents	Annual Frequency per Response	Total Annual Responses	Hours per Response	Total Hours
Form FDA 3728	20	2	40	.08	3.2

[1] There are no capital costs or operating and maintenance costs associated with this collection of information.

Respondents to this collection of information are generic new animal drug applicants. Based on FDA's data base system, there are an estimated 20 sponsors of new animal drugs potentially subject to AGDUFA. The