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Part III

**Department of
Health and Human
Services**

Health Care Financing Administration

**Medicare and Medicaid Programs;
Schedule of Limits on Home Health
Agency Costs Per Visit**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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Medicare and Medicaid Programs; Schedule of Limits on Home Health Agency Costs Per Visit

AGENCY: Health Care Financing Administration (HCFA), HHS.
ACTION: Final notice.

SUMMARY: This Notice sets forth a schedule of limits on home health agency (HHA) costs that may be reimbursed under the Medicare program. Limits are expressed as costs per visit. Although separate limits are established by type of service, limits are applied to each home health agency as a single "aggregate" limit, based on the agency's number of visits for each type of service. This is an annual update of the schedule and replaces the schedule published in the *Federal Register* on June 1, 1979 (44 FR 31814). It applies to the entire cost reporting period of a HHA whose cost reporting period begins on or after July 1, 1980.

EFFECTIVE DATE: July 1, 1980.

FOR FURTHER INFORMATION, CONTACT: Carl Slutter, 301-594-9344.

SUPPLEMENTARY INFORMATION:

Background

Section 1861(v)(1) of the Social Security Act (42 U.S.C. 1395x(v)(1)) authorizes the Secretary to set prospective limits on allowable costs incurred by a provider of services that will be reimbursed under Medicare, based on estimates of the costs necessary in the efficient delivery of needed health services. The limits may be applied to direct overall costs or to the costs incurred for specific items or services furnished by the provider. This provision of the statute is implemented by regulations at 42 CFR 405.460.

Under this authority, initial limits on home health agency per visit costs by type of service were published June 1, 1979, and became effective July 1, 1979. These limits were based on: (1) a classification system of HHAs according to their location within a Standard Metropolitan Statistical Area (SMSA), a New England County Metropolitan Area (NECMA) or a non-SMSA; (2) limits set at the 80th percentile; and (3) an inflation factor based upon estimates by the Office of Financial and Actuarial Analysis, HCFA, of increases in the average per visit interim reimbursement and the application of a formula established by the Council on Wage and Price Stability. The initial limits were

applied on an aggregate basis, i.e., the Medicare allowable costs for all services are totaled and compared to an overall limit computed for each agency by multiplying the number of Medicare visits for each service by the respective per visit cost limit.

Summary of Changes

A proposed revised schedule of limits on home health per visit costs was published in the *Federal Register* on February 15, 1980 (45 FR 10450). It included several changes from the previous schedule of limits that was effective July 1, 1979 including provisions for:

(a) a classification system based on whether a HHA is provider-based or free-standing; (b) a market basket index developed from the price of goods and services purchased by HHAs; (c) a wage index developed from hospital wages; (d) a cost of living adjustment for Alaska and Hawaii; and (e) limits applied by type of service; and (f) limits set at the 80th percentile.

Five of these proposed changes are retained in this final notice. The proposed change we are not adopting is the application of separate limits by type of service. Thus, this new schedule of limits on home health agency costs provides for:

1. A classification system based on whether a HHA is provider-based or free-standing. (A "provider-based" HHA is one that participates in Medicare as part of a hospital, skilled nursing facility, or rehabilitation facility.) In addition, agencies are classified according to whether the HHA is located within a SMSA, a NECMA, or a non-SMSA.

2. A market basket index, developed from the price of goods and services purchased by HHAs. Its purpose is to account for the impact of changing wage and price levels on HHA costs. This index is used to adjust HHA cost data from July 1, 1980 to the midpoint of the cost reporting periods to which the limits will apply.

3. A wage index, developed from hospital wages, used to adjust the wage component of the limits to reflect differing wage levels among the areas in which HHAs are located. The wage and salary portion of the market basket index (64.99 percent), plus a factor representing the wage portion of contract services (4.79 percent), is used to determine the wage component (69.78 percent) for all group limits.

4. A cost of living adjustment applied to the non-labor portion of the limit for Alaska and Hawaii.

5. Limits set at the 80th percentile.

6. Application of the limits in the aggregate after the provider's actual costs are reduced by the amount of individual items of cost that are found to be excessive under Medicare principles of provider reimbursement and of reimbursable costs that are not included in the limitation amount.

Discussion of Major Comments

Comments and suggestions concerning the proposed schedule were received from a number of national and State organizations, home health agencies, and individuals including the American Hospital Association, National League for Nursing, and National Association of Home Health Agencies. Our responses to the most significant comments follow.

Establishment of Separate Limits for Provider-Based and Free-Standing Agencies

1. Most commenters objected to the adoption of separate limits for provider-based and free-standing agencies. Representatives of free-standing agencies objected to the separate category for hospital-based agencies claiming that separate limits would threaten the continuance of their operation by enabling more hospitals to enter the market and to compete with free-standing agencies in the provision of home health services. Representatives of provider-based agencies favored separate limits because those limits take into account the influence of required Medicare hospital cost allocation on the hospital-based agency.

As explained in the proposed notice, separate limits for provider-based agencies are not intended to jeopardize free-standing agencies; but rather to assure that the limits will not cause an arbitrary disallowance of costs among existing provider-based agencies, solely as a result of a provider's compliance with Medicare rules of cost reporting.

As a result of experience in implementing the initial schedule of limits on home health agency costs, we analyzed cost reports of provider-based HHAs to determine the effect of cost allocation on costs of provider-based agencies. From this analysis, we determined nationwide that approximately 26 percent of the total cost of hospital-based agencies represent costs allocated from the parent hospital. Program instructions require most providers to use a step-down method of cost finding. This methodology results in allocation of both direct and indirect costs from general service cost centers to those revenue-producing cost centers that receive services. Provider-based HHAs

must develop home care costs in their step-down or other cost finding procedures and report them as a separate cost center for the home health care department on the hospital/skilled nursing facility cost reporting forms. These accumulated home health center costs including overhead allocations from the parent institution, are then transferred to the required home health reporting form. As a result of this transfer, the hospital-based agency reports a share of the costs from the hospital's overhead accounts not directly commensurate with costs incurred by free-standing agencies. Considering these circumstances, cost limits applied equally to provider-based and free-standing agencies would contain an automatic presumption that the provider-based agencies are more likely to be inefficient regardless of their performance, because they would not recognize the transfer of costs from the provider institution.

2. A number of commenters suggested revising the method used to determine costs in a provider-based agency rather than establishing separate limits for provider-based agencies.

In order to develop cost limits, we have needed to rely on existing cost data that reflects the cost-finding methodology now in effect. Although methods for determining cost can be changed, we do not believe a change in cost finding could be implemented retroactively. Therefore, we do not believe this suggestion represents an immediate alternative to separate recognition of provider-based home health agencies. However, we do plan to study the existing cost reporting/cost finding requirements for hospitals to determine if allocation procedures should be changed in the future.

In granting authority to establish Medicare cost limits, the Congress recognized that costs could vary among institutions as a result of identifiable factors not directly related to actual inefficiency or excessive service. Committee reports accompanying the legislation indicated that limits would be applied to appropriate classes of providers. As indicated in the discussion of comment 1, we believe separate limits are in appropriate means of recognizing the result of cost allocation, a circumstance not necessarily indicative of inefficiency or excessive service.

Although we believe that establishing separate limits as a means of recognizing overhead costs allocation of provider-based agencies is reasonable based on our analysis of Medicare cost data, we will continue to investigate all identifiable factors that may contribute to higher costs in provider-based

agencies. We will address any findings and refinements in an updated schedule of limits. In the interim, we will not penalize the provider-based agencies and continue with combined limits.

3. Some commenters also suggested that the exceptions process be used to acknowledge provider-based agencies overhead allocation instead of separate limits. (42 CFR 405.460(f)(2) permits HCFA to grant an exception to the limits if the HHA can show that it incurred higher costs due to extraordinary circumstances beyond its control.) The respondents contended that higher limits for provider-based agencies may lead to rapid proliferation and duplication of these agencies.

We view the exceptions process as a system designed for limited use in dealing with isolated or unpredictable circumstances. In addition, we do not believe the provider should be subject to a burden of proof (as required in the exceptions process) as a result of following accepted methods of cost finding. The limits as set forth reflect a modification of an evolving system. Our experience with this system may produce additional factors warranting consideration. We are continuing to evaluate the factors contributing to differences in the costs of the provider-based and free-standing agencies, and as information becomes available refinements may be made. Therefore, we do not believe that the exceptions process should be the means for recognizing hospital overhead allocation.

Market Basket Index

1. Most commenters approved the introduction of an HHA market basket as a measure of inflation; however,

some responses indicated a basic misunderstanding of the background and formulation of the market basket. Most of the commenters objecting to the market basket index were concerned about using the hospital wage index rather than an index developed specifically for HHA employees. Commenters were equally divided in suggesting that hospital wages and benefits are either too low or high a measurement for predicting HHA rates of inflation. Additionally, several commenters felt that benefits/wages in large hospitals are frequently less costly than in smaller agencies because the individual cost decreases as the number of employees increases.

The initial schedule of home health limits used actuarial projection of changes in HHA interim reimbursement rates for inflation adjustments. We believe that the actual increase in a market basket of goods and services specifically related to the particular industry is a more accurate measure of inflation than any actuarial projection. Through our analysis of expenditures of HHAs, we identified nine major categories of cost and used these to develop the market basket published in the proposed notice. We identified the nine categories through analysis of Medicare cost reports and other available home health industry surveys. The categories and the relative weights reflect characteristics peculiar to the home health industry. The price variables are econometric measures that are related to the cost category and produced broadly and frequently enough to support actual inflation increases. For further explanatory purposes, we have included an updated market basket index.

Home Health Agency Input "Price" Index: Cost Categories, Weights, Forecasters and "Price" Variable Used

Cost category	Relative weight 1978	Forecaster	"Price" variable used
Wages and Salaries.....	64.99	DRI-CFS	A. <i>Historical</i> —Payroll expenses per full-time equivalent worker employed by community hospitals. Source: American Hospital Association Panel Survey. B. <i>Projections</i> —For the period calendar year 1979 average hourly earnings of production and nonsupervisory workers on private nonagricultural payrolls, service industry. For the period calendar year 1980 and thereafter—Percentage change in average hourly earnings of hospital industry workers (sic 806). Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Employment and Earnings</i> , Table C-2.
Employee Benefits.....	8.81	DRI-MM	A. <i>Historical</i> —Employee benefits per full-time equivalent worker employed by community hospitals. Source: American Hospital Association, National Hospital Panel Survey. B. <i>Projection</i> —Supplements to wages and salaries per worker in nonagricultural establishments. Source: For supplements to wages and salaries—U.S. Dept. of Commerce, Bureau of Economic Analysis, <i>Survey of Current Business</i> , (monthly) Table 7 (1.13) July issue has detailed components. For total employment—U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Employment and Earnings</i> , Table B-4.
Transportation.....	4.73	DRI-CFS	Transportation component of the consumer price index, all urban.

Home Health Agency Input "Price" Index: Cost Categories, Weights, Forecasters and "Price" Variable Used—Continued

Cost category	Relative weight 1978	Forecaster	"Price" variable used
Office costs	2.78	DRI-MM	Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 2. Services component of consumer price index, all urban.
Rent	1.30	DRI-MM, HCFA-DHEW	Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 2. Residential rent component of Consumer Price Index, all urban. Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 23. B. Projection—Historical relationship of rental component of consumer price index, all urban, for 1977 and 1978 to all item consumer price index, all urban, projected to subsequent years.
Nonrental space occupancy costs	1.16	DRI-MM	Composite fuel and other Utilities index. Source: DHEW-HCFA, Community Hospital Input Price Index.
Medical nursing supplies and rental equipment	2.69	DRI-CFS	A. Historical—1978: Medical equipment and supplies component of the consumer price index. Prior to 1978: commodities component of consumer price index, all urban. Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 2. B. Projection—Medical commodities component of the consumer price index, all urban. Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 23.
Miscellaneous	6.95	DRI-MM	Consumer price index for all items, all urban. Source: U.S. Dept. of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> , Table 23.
Contract services	6.87	DHEW-HCFA	Weighted mean of price variables for items 1 through 8 above.
Total	100.00		

¹ Relative cost weights for 1978 were derived from special studies by the Health Care Financing Administration using primarily data from the Council of Home Health Agencies and Community Health Services and data from HCFA Medicare cost reports. A laspeyres price index was constructed using weights and "price" variables indicated in this table. In calendar 1978 each "price" variable has an index value of 100.00. The relative cost weights change each period in accordance with "price" changes for each "price" variable. Cost categories with relatively higher "price" increases get relatively higher cost weights and vice versa.

Sources: DRI-MM refers to Data Resources, Inc., Macro Model; 29 Hartwell Ave., Lexington, Massachusetts 02173, Control 042379. DRI-CFS refers to Data Resources, Inc., Cost Forecasting Service, 1750 K St. NW., Washington, D.C. 20006, CFS-792.

Wage Index

1. Many commenters criticized the use of a wage index based on hospital data from the Bureau of Labor Statistics (BLS).

Our position is that data from currently available sources would not permit further breakdowns within occupational categories or computation of an index specifically related to salaries in the home health industry. Therefore, in response to suggestions following implementation of the initial schedule of limits that an adjustment should be made for area wage differentials, we adopted the hospital wage index as the best available proxy.

2. Several commenters also questioned the validity of the wage index, suggesting that it ignores the impact of unionization on salary ranges of both union and non-union agencies. Other commenters suggested that the wage index does not recognize area-wage differences.

We have previously considered the contention that union contracts impact wages and benefits. We continue to believe that labor contracts reflect not only union demands, but also management's awareness of the many

methods of tying labor contracts to the cost of living adjustment and of management's negotiating ability. The updated wage index, which is applied to the portion of the cost limit attributable to wages, is based on the most current data available and recognizes differences in area wages. The impact of wages escalating as a result of union contracts now being negotiated will be reflected in future BLS data.

3. A few commenters suggested development of a wage index based on salary data from Medicare cost reports.

The employment statistics needed to develop a wage index are not available from the cost reports.

A wage index specifically related to HHA experience may eventually become possible through our continued evaluation of HHA data or development of additional sources of wage and salary information. The wage index published in the proposed notice was based on data for 1977, which were the latest available data. We stated in the proposed notice that, should more current data become available, we would update the index. In the interim, data for 1978 have become available; consequently, the wage index published

in this notice utilizes 1978 data and changes in the basic service limits reflect use of these more current data.

It should be noted that the basic service limits published in this notice do not represent a change in the level at which the limits are set. The basic service limits represent the 80th percentile of costs in each provider group after deflation for the effect of wage differentials. These basic limit amounts are adjusted by the appropriate area wage index prior to application. The wage indices based on 1978 wage data differ from those published in the proposed notice (usually the 1978 index value is greater). This difference in the wage indices accounts for the change in the basic service limits contained in this schedule.

Constraints inherent in the use of the BLS data prevented derivation of a wage index applicable to Puerto Rico, and none is included in the list of indices. However, a wage-index value of 1 will be assumed for applying the limits in Puerto Rico, effectively making no adjustment relative to the national average.

Other Comments

1. We received several comments that the proposed notice did not contain actual percentages of the cost of living adjustment for HHAs located in Alaska and Hawaii.

The proposed limits contained a provision to increase the limits that apply to Alaska and Hawaii by the amount of the Office of Personnel Management cost of living differential for those States. Analysis of the impact of the limits on these States has convinced us that the provision should be retained; however, through further analysis, we have determined that this adjustment should apply only to the non-wage portion of the limit. The wage portion of the limit is adjusted by the wage index which reflects differing wage levels among the areas in which HHAs are located; consequently, if the cost of living adjustment is applied to the total limit, the labor portion would receive a second adjustment of the same cost differential. To prevent any disadvantage to HHAs located in Alaska and Hawaii, we will continue to adjust the non-wage portion of the limit by the cost of living adjustment. The areas affected by the differential are surveyed and updated yearly, therefore, the rate may be adjusted up or down. The figures in the footnote to Table II reflect the most recently determined cost of living differential.

2. Several commenters indicated that setting limits by type of service represented an improvement to the

aggregate methodology; however, many questioned the timeliness of establishing per visit costs by type of service, in view of variations in current cost reporting methods. These commenters suggested that the aggregate methodology be continued until the single method of cost finding and apportionment is implemented and sufficient data are available upon which to set valid per visit limits by type of service.

We agree that the aggregate methodology should be continued at the present time. However, we believe this method allows providers to offset some cost of inefficient delivery of services and it is our objective to move to a per discipline limit as soon as possible. Waiting until the single method of cost finding and cost apportionment is implemented and data are available is one method, as pointed out in comments, but we will be studying the issue carefully to see if a conversion to a per discipline limit can be accomplished earlier. The Department intends to publish a final rule requiring a uniform method of cost-finding and cost-apportionment to be effective for cost reporting periods beginning on or after October 1, 1980 (see notice of proposed rulemaking, 45 FR 10382, February 15, 1980).

3. Some comments were received that questioned the statement contained in the proposed notice that methods of reimbursement for HHAs under Medicaid are determined by the individual State agencies and that, therefore, Medicare limits do not apply to payment rates for HHA services under Medicaid. These commenters questioned this statement in relation to HCFA Action Transmittal 79-59, which stated the proposed schedule of HHA limits would also apply to Medicaid payments for these services.

We do not have specific regulatory authority for applying Medicare cost limits to Medicaid payments to HHAs. Because of differing reimbursement methods and the absence of clear regulatory authority to apply Medicare cost limits to HHA services under Medicaid, Action Transmittal 79-59 was rescinded by Action Transmittal 80-16 on March 18, 1980. Therefore, Medicare cost limits for HHAs will apply only to Medicaid payments in those States that choose to incorporate the limits into their plans for payment for home health services.

4. Several commenters requested further clarification of the definition of a provider-based agency under the cost limits.

An HHA is determined to be hospital-based when it is an integral and subordinate part of a hospital and is

operated with other departments of the hospital under common licensure, governance, and professional supervision; all services of both the hospital and the HHA are fully integrated. Specifically, an HHA is hospital-based if the following conditions are met:

The HHA and hospital are subject to the bylaws and operating decisions of a common governing board.

The HHA and hospital are financially integrated as evidenced by the cost report, which must reflect allocation of hospital overhead to the HHA through the required step-down methodology, and by common billing for all services of both facilities. (See § 2326 of the Provider Reimbursement Manual, HIM 15-1.)

The existence of either (1) an agreement between an HHA and a hospital with respect to the referral of patients or (2) a shared service arrangement (a common arrangement recognized by both Medicare and Medicaid) does not mean an HHA is hospital-based and is not considered in determining the status of the facility.

5. Commenters requested further clarification concerning parent agency/subunit relationship, manner of filing cost reports, factors determining applicable cost caps, and characteristics of branch offices.

State health department home health agencies with subunits are permitted to file a single combined cost report under the 7800 series of provider numbers. For these official agencies, location of the parent agency determines the applicable cost cap. A home health agency operating as a branch office (see 42 CFR 405.1202) of a parent agency, although located in a different area, is still classified according to the geographic location of the parent office. Branch offices are included in the cost report prepared by the parent agency since branch offices by definition are dependent on the parent agency for administrative, supervisory and other services and therefore are not independently certified.

Except as noted above, subunits of private agencies and providers in a chain organization, and other groups of providers, operating informally under a shared service agreement, must file separate cost reports. These agencies are classified according to their actual location.

6. Some commenters also asked for further explanation of the application of the basic service limit, as it was their impression that each component of the limit represents a separate limit.

Although the basic service limit contains two components, i.e., labor and

non-labor, the sum of these two components is the limit for a specific service. To account for area wage differentials, the basic service limit is divided into its two components, and the labor portion is adjusted by the applicable wage index. The adjusted limit that will apply to a HHA visit will be the sum of the adjusted labor component plus the non-labor component.

7. Several commenters expressed concern that the three-year exemption for newly established HHAs would promote rapid proliferation of agencies.

The regulations make a distinction between exemptions from application of the cost limits and exceptions from the particular cost limit for a facility. 42 CFR 405.460(e)(2) provides that an exemption is available only to facilities serving inpatients, i.e., hospitals and skilled nursing facilities. If a provider of inpatient services receives an exemption, it is not affected at all by the cost limits and is reimbursed under Medicare principles according to the lower of its reasonable cost or customary charges. 42 CFR 405.460(f)(7) (published June 1, 1979 44 FR 31803) provides an exception for newly established HHAs (those in operation less than 3 full years). If an agency receives an exception, it is reimbursed on the basis of the cost limit, plus an incremental sum for the reasonable costs warranted by the circumstances that justified its exception. The purpose of the three year exception for newly established HHAs is to provide reasonable reimbursement for those agencies experiencing increased costs per visit in initial years of operation as a result of lower utilization.

Since the exception for HHAs does not exempt them totally from the cost limits and since each HHA applying for this exception must prove its case, we do not believe the provision will encourage the establishment of unnecessary new agencies.

Methodology for Determining Cost Per Visit Limits

1. *Data.* The limits were determined by using cost per visit data obtained from the latest Medicare cost reports for periods ending on or before September 30, 1978. We adjusted the data from the midpoint of each provider's cost reporting period to June 30, 1980, using factors developed from actual historical increases in home health agency reimbursement. The market basket index factors will be used to project costs from July 1, 1980, to the midpoint of the first cost reporting period to which the limits will apply. The annual

percentage increases for this projection are:

Calendar Year	Percent increase
1977.....	7.3
1978.....	6.9
1979.....	9.1
1980 (1/1/80-5/30/80).....	9.9
1980 (market basket, 7/1/80-12/31/80).....	10.2
1981 (market basket).....	9.9
1982 (market basket).....	9.8

The projected rate of increase in the market basket index will be adjusted to the actual inflation rate if the actual rate of increase is more than $\frac{1}{4}$ of 1 percentage point above the estimated rate. We will publish the actual rate of increase in the *Federal Register* and use it to adjust a home health agency's cost limit at time of final settlement.

2. *Deflation by Wage Index.* Each HHA's per visit costs are divided into wage and non-wage portions. The wage portion of costs is determined by using the 69.78% routine wage factor derived from the market basket weight (64.99%) for employee wages and salaries, plus a wage percentage (4.79%) of contract services. This wage portion is then divided by the wage index applicable to the HHA's location to arrive at an adjusted wage cost. (See table IV.) This adjusted wage cost is then added to the non-wage cost to obtain the per visit cost used to calculate the basic service limit.

The current hospital wage index was developed from data for the year 1978 supplied by the Bureau of Labor Statistics (BLS) for the "hospital industry", a standard BLS reporting category. Data for 1979 will not be available until late in 1980.

To develop the hospital wage index, we first computed the national SMSA, or NECMA average hospital wage. We then divided this average into the average hospital wage for each SMSA (or NECMA). For non-SMSA areas, we developed the index by computing the national non-SMSA average hospital wage and then divided this average into the average hospital wage for all non-SMSA counties in a State. The results are expressed as index numbers which are used to adjust the labor-related components of the limit's.

3. *Basic Service Limit.* A basic service limit equal to the 80th percentile of the array was calculated for each type of service, according to the provider-based and free-standing classification and the urban or non-urban location of the group.

4. *Computing the Adjusted Limit.* the basic limit for each type of service is divided into its wage and non-wage components. The cost weight (69.78

percent) representing wage and salary expenditures is used to determine the wage component of the cost limit. The wage component of the basic service limit is then multiplied by the wage index. (See Table IV.) The adjusted limit which applies to each service group is the sum of the non-wage component of the basic limit, plus the adjusted wage component.

Example—Calculation of Adjusted Limit.

Limit from Schedule—\$42.67

Labor portion—\$29.77

Non-labor portion—\$12.90

Wage Index—\$1.2504.

Computation of Adjusted Limit

$\$29.77 \times 1.2504$ (wage index) = \$37.22—

Adjusted Labor Portion.

$\$37.22 + 12.90 = \50.12 —Adjusted per visit limit for this HHA.

5. *Adjustment for Reporting Year.* If a HHA has a cost reporting period beginning on or after August 1, 1980, the adjusted per visit limit for each service will be revised upward by a factor of .825 percent for each elapsed month between July 1, 1980, and the month in which the HHA's cost reporting period starts. (The figure .825 is one twelfth of the calendar year projected market basket increase of 9.9 percent.) This factor is developed by dividing the projected increase in the market basket index by 12 and is used to account for inflation in costs that will occur after the date on which the limits become effective.

Example—HHA A's cost reporting period begins October 1, 1980. The adjusted per visit limit for A's group is \$50.12.

Computation of Revised Group Limit

Adjusted Per Visit Limit—\$50.12, Plus

Adjustment for 3-month period.

$3 \times .825 = 2.475$ percent

$1.02475 \times \$50.12 = \51.36

In this example, the revised adjusted per visit limit applicable to A for the cost reporting period beginning October 1, 1980, is \$51.36 per visit.

If a HHA uses a cost report period that is not 12 months in duration, a special calculation of the adjustment factor must be made. This results from the fact that projections are computed to the midpoint of a cost reporting period and the factor of .825 is based on an assumed 12-month reporting period. For cost reporting periods other than 12 months, the calculation must be done specifically for the midpoint of the cost reporting period. The HHA's intermediary will obtain this adjustment factor from HCFA.

Schedule of Limits

The schedule of limits set forth below applies to the 12-month cost reporting period beginning on or after July 1, 1980. The adjusted limits (using the wage index published in Table IV) will be computed by the fiscal intermediaries and each HHA will be notified of its applicable limit.

The limits also include the cost of medical supplies routinely furnished in conjunction with patient care. However, the costs of medical appliances and supplies that are not routinely furnished in conjunction with patient care visits and that are direct identifiable services to an individual patient are excluded from the per visit limit amounts. The reasonable costs of these items will be reimbursed without regard to the schedule of limits. Routinely furnished medical supplies are defined in the instructions of the New Medicare home health agency cost report that were made available for public comment earlier this year.

The limit is determined for each home health agency by multiplying the number of Medicare visits for each type of service furnished by the provider by the respective per visit cost limit. The sum of these amounts is compared to the home health agency's aggregate allowable cost.

Example: Home Health Agency A, a freestanding agency located in Ann Arbor, Michigan, made 5,000 skilled nursing, 1,000 physical therapy and 1,000 home health aide covered visits to Medicare beneficiaries during its 12-month cost reporting period beginning July 1, 1980.

The aggregate cost limit would be determined as follows:

Type of Visit	Visits	Limit	Adj. limit	
Skilled Nursing..	5,000	42.67	43.62	\$218,100
Physical Therapy.	1,000	42.42	43.37	43,370
Home Health Aide	1,000	32.26	32.98	32,980
Aggregate Cost Limit.....				294,450

Before the limits are applied at cost settlement, the provider's actual costs will be reduced by the amount of individual items of cost (e.g., administrative compensation, contract services) that are found to be excessive under Medicare principles of provider reimbursement. In this regard, the fiscal intermediaries would review the various reported costs against such screens as the cost guidelines for physical therapy (see 42 CFR 405.432) and against the limitation on costs that are substantially

out of line with those of comparable agencies (see 42 CFR 405.451). The provider's cost would also be reduced by the amount of reimbursable costs that are not included in the limitation amount (e.g., medical appliances). HCFA will also examine the feasibility of applying additional screens to various types of costs incurred by HHAs.

A home health agency operating as a branch or subunit (not independently certified for Medicare participation) whose main office, as of the effective date of the schedule of limits, is located in a SMSA (or within a NECMA, if in New England) will be classified as metropolitan. (SMSA and NECMA counties are listed in Table III.) A home health agency whose main office is not located in a SMSA (or NECMA) will be classified non-metropolitan. (See 42 CFR 405.1202 for definition of branch office.)

Table I—Per Visit Limits for Provider-Based Home Health Agency's

Type of visit	Limit for SMSA location	Labor portion (67.78%)	Non-labor portion (30.22%)
SMSA (NECMA) Location			
Skilled nursing care.....	54.17	37.80	16.37
Physical therapy.....	47.87	33.40	14.47
Speech pathology.....	47.52	33.16	14.36
Occupational therapy....	49.94	34.84	15.10
Medical social services..	54.54	38.06	16.48
Home health aide.....	47.36	33.05	14.31
Non-SMSA Location			
Skilled nursing care.....	47.23	32.96	14.27
Physical therapy.....	46.37	32.36	14.01
Speech pathology.....	•	•	•
Occupational therapy....	•	•	•
Medical social services..	•	•	•
Home health aide.....	42.95	29.97	12.98

*Insufficient data—Use basic services limits for free-standing non-SMSA agencies.

Table II—Per Visit Limits for Free-Standing Home Health Agency's¹

Type of visit	Limit for SMSA location	Labor Portion (69.78)	Non-labor portion (30.22%)
SMSA (NECMA) Location			
Skilled nursing care.....	42.67	29.77	12.90
Physical therapy.....	42.42	29.60	12.82
Speech pathology.....	44.04	30.73	13.31
Occupational therapy....	45.24	31.57	13.67
Medical social services..	48.79	34.05	14.74
Home health aide.....	32.26	22.51	9.75
Non-SMSA Location			
Skilled nursing care.....	44.75	31.23	13.52
Physical therapy.....	49.62	34.62	15.00
Speech pathology.....	48.35	33.74	14.61
Occupational therapy....	57.30	39.98	17.32
Medical social services..	43.46	30.33	13.13
Home health aide.....	31.49	21.97	9.52

¹Non-labor portion of limits for HHAs located in States of Alaska and Hawaii will be increased by the following cost-of-living adjustment:

Alaska.....	25
Hawaii (island)	
Oahu.....	12.5
Kauai.....	15
Molokai.....	15
Maui and Lanai.....	10
Hawaii.....	10

Table III—SMSA Constituent Counties

City, State, and County

Abilene, TX; Callahan, Jones, Taylor
Akron, OH; Portage, Summit
Albany, GA; Dougherty, Lee
Albany, Schenectady, NY; Albany, Montgomery
Troy, Rensselaer, Saratoga, Schenectady
Albuquerque, NM; Bernalillo, Sandoval
Alexandria, LA; Grant, Rapides
Allentown, Bethlehem, Easton, PA-NJ;
Warren, NJ, Carbon, Lehigh, Northampton
Altoona, PA; Blair
Amarillo, TX; Potter, Randall
Anaheim, Santa Ana, Garden Grove, CA;
Orange
Anchorage, AK; Anchorage
Anderson, IN; Madison
Ann Arbor, MI; Washtenaw
Anniston, AL; Calhoun
Appleton, Oshkosh, WI; Calumet, Outagamie, Winnebago
Asheville, NC; Buncombe, Madison
Atlanta, GA; Butts, Clayton, Cherokee, Douglas, Cobb, Fayette, Forsyth, DeKalb, Henry, Newton, Fulton, Paulding, Gwinnett, Rockdale, Walton
Atlantic City, NJ; Atlantic
Augusta, GA-SC; Columbia, GA, Richmond, GA, Aiken, SC
Austin, TX; Hays, Travis, Williamson
Bakersfield, CA; Kern
Baltimore, MD; Anne Arundel, Baltimore, Baltimore City, Carroll, Harford, Howard
Baton Rouge, LA; Ascension, East Baton Rouge, Livingston, West Baton Rouge
Battle Creek, MI; Barry, Calhoun
Bay City, MI; Bay
Beaumont, Port Arthur, Orange, TX; Hardin, Jefferson, Orange
Billings, MT; Yellowstone
Biloxi, Gulfport, MS; Hancock, Harrison, Stone
Binghamton, NY-PA; Broome, Tioga, Susquehanna
Birmingham, AL; Jefferson, St. Clair, Shelby, Walker
Bismarck, ND; Burleigh, Morton
Bloomington, IN; Monroe
Bloomington, Normal, IL; McLeah
Boise City, ID; Ada
Boston, Lowell, Brockton, Lawrence, Haverhill, MA; Essex, Middlesex, Norfolk, Suffolk, Plymouth, Rockingham, NH
Bradenton, FL; Manatee
Bridgeport, Stamford, Norwalk, Danbury, CT; Fairfield
Brownsville, Harlingen, San Benito, TX; Cameron
Bryan, College Station, TX; Brazos
Buffalo, NY; Erie, Niagara
Burlington, NC; Alamance
Caguas, PR; Caguas, Gurabo, San Lorenzo
Canton, OH; Carroll, Stark
Cedar Rapids, IA; Linn
Champaign, Urbana, Rantoul, IL; Champaign
Charleston, North Charleston, SC; Berkeley, Charleston, Dorchester
Charleston, WV; Kanawha, Putnam
Charlotte, Gastonia, NC; Gaston, Mecklenburg, Union
Chattanooga, TN-GA; Catoosa, Dade, Walker, Hamilton, Marion, Sequatchie
Chicago, IL; Cook, DuPage, Kane, Lake, McHenry, Will

Cincinnati, OH-KY-IN; Dearborn, Boone, Campbell, Kenton, Clermont, Hamilton, Warren
Clarksville, TN; Montgomery
Hopkinsville, KY; Christian
Cleveland, OH; Cuyahoga, Geauga, Lake, Medina
Colorado Springs, CO; El Paso, Teller
Columbia, MO; Boone
Columbia, SC; Lexington, Richland
Columbus, GA, AL; Russell, Chattahoochee, Columbus City
Columbus, OH; Delaware, Fairfield, Franklin, Madison, Pickaway
Corpus Christi, TX; Nueces, San Patricio
Dallas, Fort Worth, TX; Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall, Tarrant, Wise
Davenport, Rock, IA; Henry
Island, Moline, IL; Rock Island, Scott
Dayton, OH; Greene, Miami, Montgomery, Preble
Daytona Beach, FL; Volusia
Decatur, IL; Macon
Denver, Boulder, CO; Adams, Arapahoe, Boulder, Denver, Douglas, Gilpin, Jefferson
Des Moines, IA; Polk, Warren
Detroit, MI; Lapeer, Livingston, Macomb, Oakland, St. Clair, Wayne
Dubuque, IA; Dubuque
Duluth, Superior, MN, WI; St. Louis, Douglas
Eau Claire, WI; Chippewa, Eau Claire
Elkhart, IN; Elkhart
Elmira, NY; Chemung
El Paso, TX; El Paso
Enid, OK; Garfield
Erie, PA; Erie
Eugene, Springfield, OR; Lane
Evansville, IN, KY; Gibson, Posey, Vanderburgh, Warrick, Henderson
Fargo, Moorhead, ND, MN; Clay, Cass
Fayetteville, NC; Cumberland
Fayetteville, Springdale, AR; Benton, Washington
Flint, MI; Genesee, Shiawassee
Florence, AL; Colbert, Lauderdale
Fort Collins, CO; Larimer
Fort Lauderdale, Hollywood, FL; Broward
Fort Myers, FL; Lee
Fort Smith, AR, OK; Crawford, Sebastian, Le Flore, Sequoyah
Fort Wayne, IN; Adams, Allen, De Kalb, Wells
Fresno, CA; Fresno
Gadsden, AL; Etowah
Gainesville, FL; Alachua
Galveston, Texas City, TX; Galveston
Gary, Hammond, East Chicago, IN; Lake, Porter
Grand Forks, ND, MN; Grand Forks, Polk
Grand Rapids, MI; Kent, Ottawa
Great Falls, MT; Cascade
Greeley, CO; Weld
Green Bay, WI; Brown
Greensboro, Winston-Salem, High Point, NC; Davidson, Forsyth, Guilford, Randolph, Stokes, Yadkin
Greenville, Spartanburg, SC; Greenville, Pickens, Spartanburg
Hamilton, Middletown, OH; Butler
Harrisburg, PA; Cumberland, Dauphin, Perry
Hartford, New Britain, Bristol, CT; Harford, Middlesex, Tolland, Litchfield
Honolulu, HI; Honolulu
Houston, TX; Brazoria, Fort Bend, Harris, Liberty, Montgomery, Waller

- Huntington, Ashland, WV, KY, OH; Boyd, Greenup, Lawrence, Cabell, Wayne
Huntsville, AL; Limestone, Madison, Marshall
Indianapolis, IN; Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby
Iowa City, IA; Johnson
Jackson, MI; Jackson
Jackson, MS; Hinds, Rankin
Jacksonville, FL; Baker, Clay, Duval, Nassau, St. James
Janesville, Beloit, WI; Rock
Jersey City, NJ; Hudson
Johnson City, Kingsport, Bristol, TN, VA; Carter, Hawkins, Sullivan, Unicoi, Washington, Bristol City, Scott, Washington
Johnstown, PA; Cambria, Somerset
Kalamazoo, Portage, MI; Kalamazoo, Van Buren
Kankakee, IL; Kankakee
Kansas City, MO, KS; Johnson, Wyandotte, Cass, Clay, Jackson, Platte, Ray
Kenosha, WI; Kenosha
Killeen, Temple, TX; Bell, Coryell
Knoxville, TN; Anderson, Blount, Knox, Union
Kokomo, IN; Howard, Tipton
La Crosse, WI; La Crosse
Lafayette, LA; Lafayette
Lafayette, West Lafayette, IN; Tippecanoe
Lake Charles, LA; Calasieu
Lakeland, Winter Haven, FL; Polk
Lancaster, PA; Lancaster
Lansing, East Lansing, MI; Clinton, Eaton, Ingham, Ionia
Laredo, TX; Webb
Las Cruces, NM; Dona Ana
Las Vegas, NV; Clark
Lawrence, KS; Douglas
Lawton, OK; Comanche
Lewiston, Auburn, ME; Androscoggin
Lexington, Fayette, KY; Bourbon, Clark, Fayette, Jessamine, Scott, Woodford
Lima, OH; Allen, Auglaize, Putnam, Van Wert
Lincoln, NE; Lancaster
Little Rock, North Little Rock, AR; Pulaski, Saline
Long Branch, Asbury Park, NJ; Monmouth
Longview, TX; Gregg, Harrison
Lorain, Elyria, OH; Lorain
Los Angeles, Long Beach, CA; Los Angeles
Louisville, KY, IN; Clark, Floyd, Bullitt, Jefferson, Oldham
Lubbock, TX; Lubbock
Lynchburg, VA; Amherst, Appomattox, Campbell, Lynchburg City
Macon, GA; Bibb, Houston, Jones, Twiggs
Madison, WI; Dane
Manchester, Nashua, NH; Hillsboro, Merrimack
Mansfield, OH; Richland
Mayaguez, PR; Anasco, Hormigueros, Mayaguez
McAllen, Pharr, Edinburg, TX; Hidalgo
Melbourne, Titusville, Cocoa, FL; Brevard
Memphis, TN, AR, MS; Crittenden, DeSoto, Shelby, Tipton
Miami, FL; Dade
Midland, TX; Midland
Milwaukee, WI; Milwaukee, Ozaukee, Washington, Waukesha
Minneapolis, St. Paul, MN, WI; Anoka, Carver, Dakota, Chisago, Hennepin, Ramsey, Scott, Washington, Wright, St. Croix
Mobile, AL; Baldwin, Mobile
Modesto, CA; Stanislaus
Monroe, LA; Ouachita
Montgomery, AL; Autauga, Elmore, Montgomery
Muncie, IN; Delaware
Muskegon, Norton Shores, Muskegon Heights, MI; Muskegon, Oceana
Nashville, Davidson, TN; Cheatham, Davidson, Dickson, Sumner, Robertson, Rutherford, Wilson, Williamson
Nassau, Suffolk, NY; Nassau, Suffolk
New Bedford, Fall River, MA; Bristol
New Brunswick, Perth Amboy, Sayreville, NJ; Middlesex
New Haven, West Haven, Waterbury, Meriden, CT; New Haven
New London, Norwich, CT; New London
New Orleans, LA; Jefferson, Orleans, St. Bernard, St. Tammany
New York, NY, NJ; Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, Westchester, Bergen
Newark, NJ; Essex, Morris, Somerset, Union
Newport News, Hampton, VA; Hampton City, Williamsburg City, Newport News City, Gloucester, York, James City, Poquoson
Norfolk, Virginia Beach, Portsmouth, VA, NC; Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Currituck
Northeast Pennsylvania, PA; Lackawanna, Luzerne, Monroe
Odessa, TX; Ector
Oklahoma City, OK; Canadian, Cleveland, McClain, Oklahoma, Pottawatomie
Omaha, NE, IA; Pottawattamie, Douglas, Sarpy
Orlando, FL; Orange, Osceola, Seminole
Owensboro, KY; Davies
Oxnard, Simi Valley, Ventura, CA; Ventura
Panama City, FL; Bay
Parkersburg, Marietta, WV, OH; Washington, Wirt, Wood
Pascagoula, Moss Point, MS; Jackson
Paterson, Clifton, Passaic, NJ; Passaic
Pensacola, FL; Escambia, Santa Rosa
Peoria, IL; Peoria, Tazewell, Woodford
Petersburg, Colonial Heights, Hopewell, VA; Colonial Heights City, Dinwiddie, Hopewell City, Petersburg City, Prince George
Philadelphia, PA, NJ; Burlington, Camden, Gloucester, Bucks, Chester, Delaware, Montgomery, Philadelphia
Phoenix, AZ; Maricopa
Pine Bluff, AR; Jefferson
Pittsburgh, PA; Allegheny, Beaver, Washington, Westmoreland
Pittsfield, MA; Berkshire
Ponce, PR; Juana Diaz, Ponce, Villalba
Portland, ME; Cumberland, Sagadahoc, York
Portland, OR, WA; Clackamas, Multnomah, Washington, Clark
Poughkeepsie, NY; Dutchess
Providence, Warwick, Pawtucket, RI; Bristol, Kent, Providence, Washington, Newport
Provo, Orem, UT; Utah
Pueblo, CO; Pueblo
Racine, WI; Racine
Raleigh, Durham, NC; Durham, Orange, Wake
Rapid City, SD; Pennington, Meade
Reading, PA; Berks
Reno, NV; Washoe
Richland, Kennewick, WA; Benton, Franklin
Richmond, VA; Charles City, Chesterfield, Coochland, Hanover, Henrico, New Kent Co., Powhatan, Richmond City
Riverside, San Bernardino, Ontario, CA; Riverside, San Bernardino
Roanoke, VA; Botetourt, Roanoke, Craig, Roanoke City, Salem City
Rochester, MN; Olmstead
Rochester, NY; Livingston, Monroe, Ontario, Orleans, Wayne
Rockford, IL; Boone, Winnebago
Sacramento, CA; Placer, Sacramento, Yolo
Saginaw, MI; Saginaw
St. Cloud, MN; Benton, Sherburne, Stearns
St. Joseph, MO; Andrew, Buchanan
St. Louis, MO, IL; Clinton, Madison, Monroe, St. Clair, Franklin, Jefferson, St. Charles, St. Louis, St. Louis City
Salem, OR; Marion, Polk
Salinas, Seaside, Monterey, CA; Monterey
Salt Lake City, Ogden, UT; Davis, Salt Lake, Tooele, Weber
San Angelo, TX; Tom Green
San Antonio, TX; Bexar, Comal, Guadalupe
San Diego, CA; San Diego
San Francisco, Oakland, CA; Alameda, Contra Costa, Marin, San Francisco, San Mateo
San Jose, CA; Santa Clara
San Juan, PR; Bayamon, Carolina, Canovanas, Catano, Guaynabo, Loiza, San Juan, Toa Baja, Trujillo Alto
Santa Barbara, Santa Maria, Lompac, CA; Santa Barbara
Santa Cruz, CA; Santa Cruz
Santa Rosa, CA; Sonoma
Sarasota, FL; Sarasota
Savannah, GA; Bryan, Chatham, Effingham
Seattle, Everett, WA; King, Snohomish
Sherman, Denison, TX; Grayson
Shreveport, LA; Bossier, Caddo, Webster
Sioux City, IA, NE; Woodbury, Dakota
Sioux Falls, SD; Minnehaha
South Bend, IN; Marshall, St. Joseph
Spokane, WA; Spokane
Springfield, IL; Menard, Sangamon
Springfield, MO; Christian, Greene
Springfield, OH; Champaign, Clark
Springfield, Chicopee, Holyoke, MA; Hampden, Hampshire
Steubenville, Weirton, OH, WV; Jefferson, Brooke, Hancock
Stockton, CA; San Joaquin
Syracuse, NY; Madison, Onondaga, Oswego
Tacoma, WA; Pierce
Tallahassee, FL; Leon, Wakulla
Tampa, St. Petersburg, FL; Hillsborough, Pasco, Pinellas
Terre Haute, IN; Clay, Sullivan, Vermillion, Vigo
Texarkana, TX, AR; Little River, Miller, Bowie
Toledo, OH, MI; Monroe, Fulton, Lucas, Ottawa, Wood
Topeka, KS; Jefferson, Osage, Shawnee
Trenton, NJ; Mercer
Tucson, AZ; Pima
Tulsa, OK; Creek, Mayes, Osage, Rogers, Tulsa, Wagoner
Tuscaloosa, AL; Tuscaloosa
Tyler, TX; Smith
Utica, Rome, NY; Herkimer, Oneida
Vallejo, Fairfield, Napa, CA; Napa, Solano
Vineland, Millville, Bridgeton, NJ; Cumberland
Waco, TX; McLennan

Washington, DC, MD, VA; DC, Charles, Montgomery, Prince Georges, Alexandria City, Arlington, Fairfax City, Fairfax Falls Church City, Loudoun, Prince William, Manassas City, Manassas Park City Waterloo, Cedar Falls, IA; Black Hawk West Palm Beach, Boca Raton, FL; Palm Beach
 Wheeling, WV, OH; Belmont, Marshall, Ohio Wichita, KS; Butler, Sedgwick
 Wichita Falls, TX; Clay, Wichita Williamsport, PA; Lycoming
 Wilmington, DE, NJ, MD; New Castle, Cecil, Salem
 Wilmington, NC; Brunswick, New Hanover
 Worcester, Fitchburg, Leominster, MA; Worcester
 Yakima, WA; Yakima
 York, PA; Adams, York
 Youngstown, Warren, OH; Mahoning, Trumbull

Table IV A.—Wage Index for Urban Areas

SMSA areas	Wage index
Abilene, TX	.8471
Akron, OH	1.0308
Albany, GA	.7833
Albany-Schenectady-Troy, NY	1.0322
Albuquerque, NM	1.1007
Alexandria, LA	1.0357
Allentown-Bethlehem-Easton, PA-NJ	1.0490
Altoona, PA	1.0878
Amarillo, TX	.9891
Anaheim-Santa Ana-Garden Grove, CA	1.1626
Anchorage, AK	1.5136
Anderson, IN	.9269
Ann Arbor, MI	1.2489
Anniston, AL	.7988
Appleton-Oshkosh, WI	.9052
Asheville, NC	1.1118
Atlanta, GA	.9272
Atlantic City, NJ	1.0018
Augusta, GA-SC	1.0750
Austin, TX	.9079
Bakersfield, CA	1.0743
Baltimore, MD	1.1333
Baton Rouge, LA	.9242
Battle Creek, MI	1.2267
Bay City, MI	1.0438
Beaumont-Port Arthur-Orange, TX	.8613
Billings, MT	.8945
Biloxi-Gulfport, MS	1.0576
Binghamton, NY-PA	.9246
Birmingham, AL	.9969
Bismarck, ND	.9134
Bloomington, IN	.9585
Bloomington-Normal, IL	.8289
Boise City, ID	1.0836
Boston-Lowell-Brockton-Lawrence-Haverhill, MA-MH	1.1337
Bradenton, FL	.8438
Bridgeport-Stamford-Norwalk-Danbury, CT	1.1186
Brownsville-Harlingen-San Benito, TX	.9056
Bryan-College Station, TX	.7822
Buffalo, NY	.9060
Burlington, NC	.8610
Canton, OH	.9141
Cedar Rapids, IA	.8929
Champaign-Urbana-Rantoul, IL	1.0856
Charleston-North Charleston, SC	1.0173
Charleston, WV	1.0328
Charlotte-Gastonia, NC	.9259
Chattanooga, IN-GA	.9687
Chicago, IL	1.2146
Cincinnati, OH-KY-IN	1.0896
Clarksville-Hopkinsville, TN-KY	.8262
Cleveland, OH	1.1701
Colorado Springs, CO	.9149
Columbia, MO	1.2097
Columbia, SC	.9927
Columbus, GA-AL	.8531
Columbus, OH	1.0253
Corpus Christi, TX	.9106
Dallas-Fort Worth, TX	.8434
Davenport-Rock Island-Moline, IA-IL	.9172
Dayton, OH	1.1514
Daytona Beach, FL	.9461
Decatur, IL	.9357

Table IV A.—Wage Index for Urban Areas—Continued

SMSA areas	Wage index
Denver-Boulder, CO	1.1140
Des Moines, IA	1.0621
Detroit, MI	1.1769
Dubuque, IA	.9002
Duluth-Superior, MN-WI	.8073
Eau Claire, WI	.8419
El Paso, TX	.9345
Elkhart, IN	.7965
Elmira, NY	.8010
Enid, OK	.8312
Erie, PA	.9700
Eugene-Springfield, OR	.8591
Evansville, IN-KY	1.0204
Fargo-Moorhead, ND-MN	1.0048
Fayetteville, NC	1.1267
Fayetteville-Springdale, AR	.8734
Flint, MI	1.1314
Florence, AL	.7955
Fort Collins, CO	.8229
Fort Lauderdale-Hollywood, FL	1.1327
Fort Myers, FL	.9611
Fort Smith, AR-OK	.8401
Fort Wayne, IN	.9026
Fresno, CA	1.1454
Gadsden, AL	.8987
Gainesville, FL	1.1171
Galveston-Texas City, TX	.8935
Gary-Hammond-East Chicago, IN	1.1579
Grand Forks, ND-MN	.8739
Grand Rapids, MI	.9088
Great Falls, MT	.8888
Greeley, CO	.8215
Green Bay, WI	.9398
Greensboro-Winston-Salem-High Point, NC	.8974
Greenville-Spartanburg, SC	.8864
Hamilton-Middletown, OH	1.0650
Harrisburg, PA	1.0520
Hartford-New Britain-Bristol, CT	1.0720
Honolulu, HI	1.1668
Houston, TX	1.0308
Huntington-Ashland, WV-KY-OH	.9505
Huntsville, AL	.8280
Indianapolis, IN	1.0486
Iowa City, IA	.9072
Jackson, MI	.9828
Jackson, MS	.8981
Jacksonville, FL	.9324
Janesville-Beloit, WI	.8371
Jersey City, NJ	1.0712
Johnson City-Kingsport-Bristol, TN-VA	.9512
Johnstown, PA	.9977
Kalamazoo-Portage, MI	1.1351
Kankakee, IL	.9591
Kansas City, MO-KS	.9882
Kenosha, WI	1.0441
Killeen-Temple, TX	1.0588
Knoxville, TN	.8505
Kokomo, IN	.9330
La Crosse, WI	.8532
Lafayette, LA	.8521
Lafayette-West Lafayette, IN	.8907
Lake Charles, LA	.8526
Lakeland-Winter Haven, FL	.8476
Lancaster, PA	1.0410
Lansing-East Lansing, MI	1.0488
Laredo, TX	.8372
Las Cruces, NM	.7806
Las Vegas, NV	1.1837
Lawrence, KS	.8378
Lawton, OK	.8740
Lewiston-Auburn, ME	.8724
Lexington-Fayette, KY	1.0316
Lima, OH	.9421
Lincoln, NE	1.0107
Little Rock-North Little Rock, AR	1.1015
Long Branch-Asbury Park, NJ	1.0585
Longview, TX	.7922
Lorain-Elyria, OH	.9870
Los Angeles-Long Beach, CA	1.2905
Louisville, KY-IN	1.0112
Lubbock, TX	.8434
Lynchburg, VA	.8611
Macon, GA	.9170
Madison, WI	1.0238
Manchester-Nashua, NH	.8699
Mansfield, OH	.8706
McAllen-Pharr-Edinburg, TX	.7825
Melbourne-Titusville-Cocoa, FL	.9051
Memphis, TN-AR-MS	1.0612
Miami, FL	1.1264
Midland, TX	.8816

Table IV A.—Wage Index for Urban Areas—Continued

SMSA areas	Wage index
Milwaukee, WI	1.0154
Minneapolis-St. Paul, MN-WI	.9923
Mobile, AL	.8911
Modesto, CA	.9527
Monroe, LA	.9022
Montgomery, AL	.9923
Muncie, IN	.9149
Muskegon-Norton Shores-Muskegon Heights, MI	.9837
Nashville-Davidson, TN	1.0555
Nassau-Suffolk, NY	1.3079
New Bedford-Fall River, MA	.9665
New Brunswick-Perth Amboy-Sayreville, NJ	1.0678
New Haven-Waterbury-Meriden, CT	1.1519
New London-Norwich, CT	1.0957
New Orleans, LA	.9929
New York, NY-NJ	1.4451
Newark, NJ	1.2785
Newport News-Hampton, VA	1.0425
Norfolk-Virginia Beach-Portsmouth, VA-NC	.9660
Northeast Pennsylvania	1.1027
Odessa, TX	.8788
Oklahoma City, OK	.9306
Omaha, NE-IA	.9549
Orlando, FL	.9108
Owensboro, KY	.7235
Oxnard-Simi Valley-Ventura, CA	1.4074
Panama City, FL	.8592
Parkersburg-Marietta, WV-OH	.9577
Pascagoula-Moss Point, MS	1.1379
Paterson-Cifton-Passaic, NJ	1.0851
Pensacola, FL	.9132
Peoria, IL	1.0520
Petersburg-Colonial Heights-Hopewell, VA	.8909
Philadelphia, PA-NJ	1.1616
Phoenix, AZ	1.0806
Pine Bluff, AR	.7245
Pittsburgh, PA	1.1255
Pittsfield, MA	1.0213
Portland, ME	.9540
Portland, OR-WA	1.1194
Poughkeepsie, NY	1.2004
Providence-Warwick-Pawtucket, RI	1.0334
Provo-Orem, UT	.8669
Pueblo, CO	.8612
Racine, WI	.8246
Raleigh-Durham, NC	1.0578
Rapid City, SD	1.1297
Reading, PA	.9918
Reno, NV	1.2465
Richland-Kennewick, WA	.9853
Richmond, VA	.9838
Riverside-San Bernardino-Ontario, CA	1.1690
Roanoke, VA	1.1003
Rochester, MN	.7782
Rochester, NY	1.0818
Rockford, IL	1.0742
Sacramento, CA	1.2012
Saginaw, MI	1.1456
St. Cloud, MN	1.1087
St. Joseph, MO	.9095
St. Louis, MO-IL	.9764
Salem, OR	1.0709
Salinas-Seaside-Monterey, CA	1.2103
Salt Lake City-Ogden, UT	.8515
San Angelo, TX	.8074
San Antonio, TX	1.0283
San Diego, CA	1.1255
San Francisco-Oakland, CA	1.3805
San Jose, CA	1.3758
Santa Barbara-Santa Maria-Lompoc, CA	1.0276
Santa Cruz, CA	1.0595
Santa Rosa, CA	1.3212
Sarasota, FL	.8909
Savannah, GA	.9041
Seattle-Everett, WA	1.0056
Sherman-Denison, TX	.7773
Shreveport, LA	1.0296
Sioux City, IA-NE	.9221
Sioux Falls, SD	.8497
South Bend, IN	.8811
Spokane, WA	1.0577
Springfield, IL	1.0559
Springfield, MO	.9462
Springfield, OH	.9648
Springfield-Chicopee-Holyoke, MA	1.0342
Steubenville-Weirton, OH-WV	.8622
Stockton, CA	1.2994
Syracuse, NY	1.2807

Table IV A.—Wage Index for Urban Areas —Continued

SMSA areas	Wage index
Tacoma, WA.....	1.0397
Tallahassee, FL.....	.8494
Tampa-St. Petersburg, FL.....	1.0374
Terre Haute, IN.....	.8609
Texarkana-TX-Texarkana, AR.....	1.0364
Toledo, OH-MI.....	1.0955
Topeka, KS.....	1.1339
Trenton, NJ.....	1.1293
Tucson, AZ.....	1.0725
Tulsa, OK.....	.9224
Tuscaloosa, AL.....	1.0304
Tyler, TX.....	.9142
Utica-Rome, NY.....	.8669
Vallejo-Fairfield-Napa, CA.....	1.5362
Vineland-Millville-Bridgeton, NJ.....	.9370
Waco, TX.....	1.1763
Washington, DC-MD-VA.....	1.2749
Waterloo-Cedar Falls, IA.....	.8478
West Palm Beach-Boca Raton, FL.....	.9374
Wheeling, WV-OH.....	.9001
Wichita, KS.....	1.0373
Wichita Falls, TX.....	.8064
Williamsport, PA.....	.9170
Wilmington, DE-NJ-MD.....	1.1964
Wilmington, NC.....	.8770
Worcester-Fitchburg-Leominster, MA.....	.9514
Yakima, WA.....	.8946
York, PA.....	.9573
Youngstown-Warren, OH.....	1.0881

Table IV B.—Wage Index for Rural Areas

Non-SMSA areas	Wage index
Alabama.....	.9246
Alaska.....	1.5107
Arizona.....	1.0963
Arkansas.....	.8294
California.....	1.2158
Colorado.....	1.0599
Connecticut.....	1.1225
Delaware.....	1.0306
Florida.....	.9807
Georgia.....	.9382
Hawaii.....	1.3946
Idaho.....	.9142
Illinois.....	.8852
Indiana.....	1.0121
Iowa.....	.9095
Kansas.....	.9044
Kentucky.....	.8944
Louisiana.....	.8883
Maine.....	1.0354
Maryland.....	1.0525
Massachusetts.....	1.1692
Michigan.....	1.0998
Minnesota.....	.8895
Mississippi.....	.8386
Missouri.....	.9685
Montana.....	.9994
Nebraska.....	.8075
Nevada.....	1.0487
New Hampshire.....	1.0673
New Jersey.....	1.0895
New Mexico.....	1.0288
New York.....	.9986
North Carolina.....	.9805
North Dakota.....	.8921
Ohio.....	1.0218
Oklahoma.....	.9264
Oregon.....	1.0769
Pennsylvania.....	1.1394
South Carolina.....	.8946
South Dakota.....	.7753
Tennessee.....	.8387
Texas.....	.9065
Utah.....	.8058
Vermont.....	1.0319
Virginia.....	.9318
Washington.....	1.0242
West Virginia.....	1.1401
Wisconsin.....	.9048
Wyoming.....	1.0947

There is good cause to make this Notice effective July 1, 1980 since early implementation may benefit the home health agencies because the schedule is relieving certain restrictions through a system that is fairer to provide based agencies, there is an adjustment for area wage rates and an improved method for updating the limits based upon inflation.

(Secs. 1102, 1814(b), 1861(v)(1), 1866(a), and 1871 of the Social Security Act; 42 U.S. 1302, 1395f (b), 1395x (v) (1), 1395cc (a) and 1395hh) (Catalog of Federal Domestic Assistance Program No. 13,773, Medicare—Hospital Insurance)

Dated: May 28, 1980.

Earl M. Collier, Jr.,

Acting Administrator, Health Care Financing,
Administrator.

Approved: June 2, 1980.

Patricia Roberts Harris,

Secretary.

[FR Doc. 80-17085 Filed 6-4-80; 8:45 am]

BILLING CODE 4110-35-M

Reader Aids

Federal Register

Vol. 45, No. 110

Thursday, June 5, 1980

INFORMATION AND ASSISTANCE

Questions and requests for specific information may be directed to the following numbers. General inquiries may be made by dialing 202-523-5240.

Federal Register, Daily Issue:

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 - 523-5240 Photo copies of documents appearing in the Federal Register
 - 523-5237 Corrections
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Code of Federal Regulations (CFR):

- 523-3419
- 523-3517
- 523-5227 Index and Finding Aids

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- 523-5233 Executive Orders and Proclamations
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- 523-5266 Public Law Numbers and Dates, Slip Laws, U.S. -5282 Statutes at Large, and Index
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- 523-5239 TTY for the Deaf
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- 523-3408 Automation
- 523-4534 Special Projects
- 523-3517 Privacy Act Compilation

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AGENCY PUBLICATION ON ASSIGNED DAYS OF THE WEEK

The following agencies have agreed to publish all documents on two assigned days of the week (Monday/Thursday or Tuesday/Friday).

This is a voluntary program. (See OFR NOTICE FR 32914, August 6, 1976.)

Monday	Tuesday	Wednesday	Thursday	Friday
DOT/SECRETARY	USDA/ASCS		DOT/SECRETARY	USDA/ASCS
DOT/COAST GUARD	USDA/APHIS		DOT/COAST GUARD	USDA/APHIS
DOT/FAA	USDA/FNS		DOT/FAA	USDA/FNS
DOT/FHWA	USDA/FSQS		DOT/FHWA	USDA/FSQS
DOT/FRA	USDA/REA		DOT/FRA	USDA/REA
DOT/NHTSA	MSPB/OPM		DOT/NHTSA	MSPB/OPM
DOT/RSPA	LABOR		DOT/RSPA	LABOR
DOT/SLSDC	HEW/FDA		DOT/SLSDC	HEW/FDA
DOT/UMTA			DOT/UMTA	
CSA			CSA	

Documents normally scheduled for publication on a day that will be a Federal holiday will be published the next work day following the holiday.

Comments on this program are still invited. Comments should be submitted to the Day-of-the-Week Program Coordinator, Office of

the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408

Rules Going Into Effect Today

Note: There were no items eligible for inclusion in the list of Rules Going Into Effect Today.

List of Public Laws

Last Listing June 4, 1980

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's List of Public Laws.

CODE OF FEDERAL REGULATIONS

(Revised as of January 1, 1980)

<u>Quantity</u>	<u>Volume</u>	<u>Price</u>	<u>Amount</u>
_____	Title 7—Agriculture (Parts 300 to 399)	\$5.50	\$ _____
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LA Cumulative checklist of CFR issuances for 1980 appears in the back of the first issue of the Federal Register each month in the Reader Aids section. In addition, a checklist of current CFR volumes, comprising a complete CFR set, appears each month in the LSA (List of CFR Sections Affected).]

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