

**To:** All Acute Care Hospitals Subject to the Inpatient Prospective Payment System and Skilled Nursing Facilities

**From:** CareFirst of Maryland, Inc. – Medicare Part A

**Date:** November 11, 2003

**Subject:** Implementation of Corrections to: Changes to the Hospital Inpatient Prospective Payment Systems (IPPS) and Fiscal Year 2004 Rates

On October 31, 2003, the Centers for Medicare and Medicaid Services published Change Request 2971, Pub 100-20, Transmittal 16, providing Changes to the Hospital Inpatient Prospective Payment System, as Published in the October 6, 2003 Federal Register (68 FR 57732). This one-time notification implemented corrections to certain wage index values, hospital geographic classifications, the assignment of cases to and payment for certain diagnosis-related groups (DRGs) and add-on payments for new technology, that were published incorrectly in the August 1, 2003, Federal Register. As a result of these corrections, a new average standardized amount was calculated for FY 2004.

This also implements Public Law 108-89, which extended section 402(b) of Public Law 108-7 (as implemented by Program Memorandum A-03-023, published March 28, 2003). This provision requires that all hospitals paid on the basis of the national average standardized amounts are to receive the large urban standardized amount for discharges through March 31, 2004.

Changes were also made to Table 7 of the September 29, 2003 Federal Register, publishing the corrected final wage indexes for skilled nursing facilities (SNF) (68 FR 55890-55896).

To see these changes in their entirety in the Federal Register visit:  
<http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/pdf/03-25192.pdf>

To access the CMS published One-Time Notification, Change Request 2971, Pub 100-20, Transmittal 16 visit:

[http://www.cms.gov/manuals/pm\\_trans/R16OTN.pdf](http://www.cms.gov/manuals/pm_trans/R16OTN.pdf)

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The effective date of this bulletin is October 1, 2003. The implementation date of this bulletin is November 5, 2003.

(Source: Publication 100-20; Transmittal 16; Change Request 2971)

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