



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

42 CFR Parts 409, 411, 413, 424, and 488

[CMS-1679-CN]

RIN 0938-AS96

**Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities for FY 2018, SNF Value-Based Purchasing Program, SNF Quality Reporting Program, Survey Team Composition, and Correction of the Performance Period for the NHSN HCP Influenza Vaccination Immunization Reporting Measure in the ESRD QIP for PY 2020; Correction**

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

**ACTION:** Final rule; correction.

**SUMMARY:** This document corrects technical errors in the final rule that appeared in the August 4, 2017 **Federal Register**, which will update the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs) for fiscal year (FY) 2018.

**DATES:** This correction is effective October 1, 2017.

**FOR FURTHER INFORMATION CONTACT:** John Kane, (410) 786-0557.

### **SUPPLEMENTARY INFORMATION:**

#### **I. Background**

In FR Doc. 2017-16256 (82 FR 36530), the final rule entitled “Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities for FY 2018, SNF Value-Based Purchasing Program, SNF Quality Reporting Program, Survey Team Composition, and Correction of the Performance Period for the NHSN HCP Influenza Vaccination Immunization Reporting Measure in the ESRD QIP for PY 2020”, there were a

number of technical errors that are identified and corrected in section IV., Correction of Errors. The provisions in this correcting document are effective as if they had been included in the document that appeared in the August 4, 2017, **Federal Register** (hereinafter referred to as the FY 2018 SNF PPS final rule). Accordingly, the corrections are effective October 1, 2017.

## **II. Summary of Errors**

### A. Summary of Errors in the Preamble

As discussed in the FY 2018 SNF PPS final rule (82 FR 36539), in developing the wage index to be applied to skilled nursing facilities (SNFs) under the SNF prospective payment system (PPS), we use the updated, pre-reclassified hospital inpatient prospective payment system (IPPS) wage data, exclusive of the occupational mix adjustment. For FY 2018, the updated, unadjusted, pre-reclassified IPPS wage data used under the SNF PPS are for hospital cost reporting periods beginning on or after October 1, 2013, and before October 1, 2014 (FY 2014 cost report data), as discussed in the FY 2018 IPPS final rule (82 FR 38130). In calculating the wage index under the FY 2018 IPPS final rule, we made inadvertent errors related to the wage data collected from the Medicare cost reports of six hospitals which are located in CBSAs 24860 and 40340. Specifically, we used incorrect wage data for these six hospitals to calculate the final FY 2018 IPPS wage indexes, the geographic adjustment factor (GAF) (which is computed from the wage index), as well as certain other IPPS factors and adjustments.

These errors are identified, discussed and corrected in the Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2018 Rates; Quality Reporting Requirements for Specific Providers; Medicare and Medicaid Electronic Health Record (EHR) Incentive Program Requirements for Eligible Hospitals, Critical Access Hospitals, and Eligible Professionals; Provider-Based Status of Indian Health Services and Tribal Facilities

and Organizations; Cost Reporting and Provider Requirements; Agreement Termination Notices; Correction (CMS-1677-CN) that appears elsewhere in this issue of the **Federal Register**.

As discussed above, we use the updated, pre-reclassified, unadjusted IPPS wage data in developing the wage index used under the SNF PPS. Due to the technical errors described above, the published FY 2018 SNF PPS wage indexes were incorrect. Thus, the use of the corrected wage data for the six hospitals required the recalculation of the final FY 2018 SNF PPS wage indexes. Additionally, as discussed on page 36543 of the FY 2018 SNF PPS final rule, section 1888(e)(4)(G)(ii) of the Act requires that we apply the wage index in a manner that does not result in aggregate payments under the SNF PPS that are greater or less than would otherwise be made if the wage index adjustment had not been made. To achieve this, we apply a budget neutrality factor to the unadjusted SNF PPS federal per diem base rates. Due to the recalculation and subsequent revision of the final FY 2018 SNF PPS wage indexes, it was necessary to recalculate the FY 2018 SNF PPS wage index budget neutrality factor as well. Revising the wage index budget neutrality factor causes a change in the unadjusted SNF PPS federal per diem rates (provided in Tables 2 and 3 of the FY 2018 SNF PPS final rule (82 FR 36535)), which then causes changes in the case-mix adjusted SNF PPS rates (provided in Tables 4 and 5 in the FY 2018 SNF PPS final rule (82 FR 36537 through 36538), as well as the labor adjusted SNF PPS rates (provided in Tables 6 and 7 of the FY 2018 SNF PPS final rule (82 FR 36541 through 36543)). Finally, due to the recalculated wage indexes, we recalculated the impact analysis provided in Table 26 of the FY 2018 SNF PPS final rule (82 FR 36629). The corrections to these errors are found in section IV. of this document.

#### B. Summary of Errors in and Corrections to Tables Posted on the CMS Website

We are correcting the wage indexes in Tables A and B setting forth the wage indexes for urban (Table A) and non-urban (Table B) areas based on CBSA labor market areas, which are

available exclusively on the CMS Web site at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html>. These tables have been updated to reflect the revisions discussed in this correcting document.

We are republishing the wage indexes in Tables A and B accordingly on the CMS Web site at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html>.

### **III. Waiver of Proposed Rulemaking and Delayed Effective Date**

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

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

We believe that this correcting document does not constitute a rule that would be subject to the APA notice and comment or delayed effective date requirements. The document corrects technical errors in the FY 2018 SNF PPS final rule and in the tables referenced in the final rule, but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, this correcting document is intended to ensure that the information in the FY 2018 SNF PPS final rule accurately reflects the policies adopted in that

final rule.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2018 SNF PPS final rule and the tables referenced in the final rule accurately reflect our methodologies, payment rates, and policies. Furthermore, such procedures would be unnecessary, as we are not making substantive changes to our payment methodologies or policies, but rather, we are simply implementing correctly the methodologies and policies that we previously proposed, requested comment on, and subsequently finalized. This correcting document is intended solely to ensure that the FY 2018 SNF PPS final rule and the tables referenced in the final rule accurately reflect these methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

**Correction of Errors**

In FR Doc. 2017-16256 of August 4, 2017 (82 FR 36530), make the following corrections:

1. On page 36535, TABLE 2–FY 2018 UNADJUSTED FEDERAL RATE PER DIEM URBAN is corrected to read as follows:

**TABLE 2–FY 2018 UNADJUSTED FEDERAL RATE PER DIEM URBAN**

<b>Rate Component</b>	<b>Nursing - Case-Mix</b>	<b>Therapy - Case-Mix</b>	<b>Therapy - Non-Case-mix</b>	<b>Non-Case-Mix</b>
<b>Per Diem Amount</b>	\$177.21	\$133.48	\$17.58	\$90.44

2. On page 36535, TABLE 3–FY 2018 UNADJUSTED FEDERAL RATE PER DIEM

RURAL is corrected to read as follows:

**TABLE 3—FY 2018 UNADJUSTED FEDERAL RATE PER DIEM RURAL**

Rate Component	Nursing - Case-Mix	Therapy - Case-Mix	Therapy - Non-Case-mix	Non-Case-Mix
Per Diem Amount	\$169.29	\$153.92	\$18.78	\$92.11

3. On page 36536, third column, first full paragraph,
  - a. Line 21, the figure “\$443.08” is corrected to read “\$442.95”.
  - b. Line 26, the figure “\$1,010.22.” is corrected to read “\$1,009.93.”.
4. On page 36537, TABLE 4—RUG-IV CASE-MIX ADJUSTED FEDERAL RATES

AND ASSOCIATED INDEXES—URBAN is corrected to read as follows:

**TABLE 4—RUG-IV CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES - URBAN**

RUG-IV Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case Mix Therapy Comp	Non-case Mix Component	Total Rate
RUX	2.67	1.87	\$473.15	\$249.61		\$90.44	\$813.20
RUL	2.57	1.87	\$455.43	\$249.61		\$90.44	\$795.48
RVX	2.61	1.28	\$462.52	\$170.85		\$90.44	\$723.81
RVL	2.19	1.28	\$388.09	\$170.85		\$90.44	\$649.38
RHX	2.55	0.85	\$451.89	\$113.46		\$90.44	\$655.79
RHL	2.15	0.85	\$381.00	\$113.46		\$90.44	\$584.90
RMX	2.47	0.55	\$437.71	\$73.41		\$90.44	\$601.56
RML	2.19	0.55	\$388.09	\$73.41		\$90.44	\$551.94
RLX	2.26	0.28	\$400.49	\$37.37		\$90.44	\$528.30
RUC	1.56	1.87	\$276.45	\$249.61		\$90.44	\$616.50
RUB	1.56	1.87	\$276.45	\$249.61		\$90.44	\$616.50
RUA	0.99	1.87	\$175.44	\$249.61		\$90.44	\$515.49
RVC	1.51	1.28	\$267.59	\$170.85		\$90.44	\$528.88
RVB	1.11	1.28	\$196.70	\$170.85		\$90.44	\$457.99
RVA	1.10	1.28	\$194.93	\$170.85		\$90.44	\$456.22
RHC	1.45	0.85	\$256.95	\$113.46		\$90.44	\$460.85
RHB	1.19	0.85	\$210.88	\$113.46		\$90.44	\$414.78
RHA	0.91	0.85	\$161.26	\$113.46		\$90.44	\$365.16
RMC	1.36	0.55	\$241.01	\$73.41		\$90.44	\$404.86
RMB	1.22	0.55	\$216.20	\$73.41		\$90.44	\$380.05
RMA	0.84	0.55	\$148.86	\$73.41		\$90.44	\$312.71
RLB	1.50	0.28	\$265.82	\$37.37		\$90.44	\$393.63
RLA	0.71	0.28	\$125.82	\$37.37		\$90.44	\$253.63
ES3	3.58		\$634.41		\$17.58	\$90.44	\$742.43
ES2	2.67		\$473.15		\$17.58	\$90.44	\$581.17
ES1	2.32		\$411.13		\$17.58	\$90.44	\$519.15
HE2	2.22		\$393.41		\$17.58	\$90.44	\$501.43
HE1	1.74		\$308.35		\$17.58	\$90.44	\$416.37
HD2	2.04		\$361.51		\$17.58	\$90.44	\$469.53

RUG-IV Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case Mix Therapy Comp	Non-case Mix Component	Total Rate
HD1	1.60		\$283.54		\$17.58	\$90.44	\$391.56
HC2	1.89		\$334.93		\$17.58	\$90.44	\$442.95
HC1	1.48		\$262.27		\$17.58	\$90.44	\$370.29
HB2	1.86		\$329.61		\$17.58	\$90.44	\$437.63
HB1	1.46		\$258.73		\$17.58	\$90.44	\$366.75
LE2	1.96		\$347.33		\$17.58	\$90.44	\$455.35
LE1	1.54		\$272.90		\$17.58	\$90.44	\$380.92
LD2	1.86		\$329.61		\$17.58	\$90.44	\$437.63
LD1	1.46		\$258.73		\$17.58	\$90.44	\$366.75
LC2	1.56		\$276.45		\$17.58	\$90.44	\$384.47
LC1	1.22		\$216.20		\$17.58	\$90.44	\$324.22
LB2	1.45		\$256.95		\$17.58	\$90.44	\$364.97
LB1	1.14		\$202.02		\$17.58	\$90.44	\$310.04
CE2	1.68		\$297.71		\$17.58	\$90.44	\$405.73
CE1	1.50		\$265.82		\$17.58	\$90.44	\$373.84
CD2	1.56		\$276.45		\$17.58	\$90.44	\$384.47
CD1	1.38		\$244.55		\$17.58	\$90.44	\$352.57
CC2	1.29		\$228.60		\$17.58	\$90.44	\$336.62
CC1	1.15		\$203.79		\$17.58	\$90.44	\$311.81
CB2	1.15		\$203.79		\$17.58	\$90.44	\$311.81
CB1	1.02		\$180.75		\$17.58	\$90.44	\$288.77
CA2	0.88		\$155.94		\$17.58	\$90.44	\$263.96
CA1	0.78		\$138.22		\$17.58	\$90.44	\$246.24
BB2	0.97		\$171.89		\$17.58	\$90.44	\$279.91
BB1	0.90		\$159.49		\$17.58	\$90.44	\$267.51
BA2	0.70		\$124.05		\$17.58	\$90.44	\$232.07
BA1	0.64		\$113.41		\$17.58	\$90.44	\$221.43
PE2	1.50		\$265.82		\$17.58	\$90.44	\$373.84
PE1	1.40		\$248.09		\$17.58	\$90.44	\$356.11
PD2	1.38		\$244.55		\$17.58	\$90.44	\$352.57
PD1	1.28		\$226.83		\$17.58	\$90.44	\$334.85
PC2	1.10		\$194.93		\$17.58	\$90.44	\$302.95
PC1	1.02		\$180.75		\$17.58	\$90.44	\$288.77
PB2	0.84		\$148.86		\$17.58	\$90.44	\$256.88
PB1	0.78		\$138.22		\$17.58	\$90.44	\$246.24
PA2	0.59		\$104.55		\$17.58	\$90.44	\$212.57
PA1	0.54		\$95.69		\$17.58	\$90.44	\$203.71

5. On page 36538, TABLE 5–RUG-IV CASE-MIX ADJUSTED FEDERAL RATES

AND ASSOCIATED INDEXES - RURAL is corrected to read as follows:

**TABLE 5–RUG-IV CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES - RURAL**

RUG-IV Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case Mix Therapy Comp	Non-case Mix Component	Total Rate
RUX	2.67	1.87	\$452.00	\$287.83		\$92.11	\$831.94
RUL	2.57	1.87	\$435.08	\$287.83		\$92.11	\$815.02
RVX	2.61	1.28	\$441.85	\$197.02		\$92.11	\$730.98

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<b>RUG-IV Category</b>	<b>Nursing Index</b>	<b>Therapy Index</b>	<b>Nursing Component</b>	<b>Therapy Component</b>	<b>Non-case Mix Therapy Comp</b>	<b>Non-case Mix Component</b>	<b>Total Rate</b>
RVL	2.19	1.28	\$370.75	\$197.02		\$92.11	\$659.88
RHX	2.55	0.85	\$431.69	\$130.83		\$92.11	\$654.63
RHL	2.15	0.85	\$363.97	\$130.83		\$92.11	\$586.91
RMX	2.47	0.55	\$418.15	\$84.66		\$92.11	\$594.92
RML	2.19	0.55	\$370.75	\$84.66		\$92.11	\$547.52
RLX	2.26	0.28	\$382.60	\$43.10		\$92.11	\$517.81
RUC	1.56	1.87	\$264.09	\$287.83		\$92.11	\$644.03
RUB	1.56	1.87	\$264.09	\$287.83		\$92.11	\$644.03
RUA	0.99	1.87	\$167.60	\$287.83		\$92.11	\$547.54
RVC	1.51	1.28	\$255.63	\$197.02		\$92.11	\$544.76
RVB	1.11	1.28	\$187.91	\$197.02		\$92.11	\$477.04
RVA	1.10	1.28	\$186.22	\$197.02		\$92.11	\$475.35
RHC	1.45	0.85	\$245.47	\$130.83		\$92.11	\$468.41
RHB	1.19	0.85	\$201.46	\$130.83		\$92.11	\$424.40
RHA	0.91	0.85	\$154.05	\$130.83		\$92.11	\$376.99
RMC	1.36	0.55	\$230.23	\$84.66		\$92.11	\$407.00
RMB	1.22	0.55	\$206.53	\$84.66		\$92.11	\$383.30
RMA	0.84	0.55	\$142.20	\$84.66		\$92.11	\$318.97
RLB	1.50	0.28	\$253.94	\$43.10		\$92.11	\$389.15
RLA	0.71	0.28	\$120.20	\$43.10		\$92.11	\$255.41
ES3	3.58		\$606.06		\$18.78	\$92.11	\$716.95
ES2	2.67		\$452.00		\$18.78	\$92.11	\$562.89
ES1	2.32		\$392.75		\$18.78	\$92.11	\$503.64
HE2	2.22		\$375.82		\$18.78	\$92.11	\$486.71
HE1	1.74		\$294.56		\$18.78	\$92.11	\$405.45
HD2	2.04		\$345.35		\$18.78	\$92.11	\$456.24
HD1	1.60		\$270.86		\$18.78	\$92.11	\$381.75
HC2	1.89		\$319.96		\$18.78	\$92.11	\$430.85
HC1	1.48		\$250.55		\$18.78	\$92.11	\$361.44
HB2	1.86		\$314.88		\$18.78	\$92.11	\$425.77
HB1	1.46		\$247.16		\$18.78	\$92.11	\$358.05
LE2	1.96		\$331.81		\$18.78	\$92.11	\$442.70
LE1	1.54		\$260.71		\$18.78	\$92.11	\$371.60
LD2	1.86		\$314.88		\$18.78	\$92.11	\$425.77
LD1	1.46		\$247.16		\$18.78	\$92.11	\$358.05
LC2	1.56		\$264.09		\$18.78	\$92.11	\$374.98
LC1	1.22		\$206.53		\$18.78	\$92.11	\$317.42
LB2	1.45		\$245.47		\$18.78	\$92.11	\$356.36
LB1	1.14		\$192.99		\$18.78	\$92.11	\$303.88
CE2	1.68		\$284.41		\$18.78	\$92.11	\$395.30
CE1	1.50		\$253.94		\$18.78	\$92.11	\$364.83
CD2	1.56		\$264.09		\$18.78	\$92.11	\$374.98
CD1	1.38		\$233.62		\$18.78	\$92.11	\$344.51
CC2	1.29		\$218.38		\$18.78	\$92.11	\$329.27
CC1	1.15		\$194.68		\$18.78	\$92.11	\$305.57
CB2	1.15		\$194.68		\$18.78	\$92.11	\$305.57
CB1	1.02		\$172.68		\$18.78	\$92.11	\$283.57



RUG-IV Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case Mix Therapy Comp	Non-case Mix Component	Total Rate
CA2	0.88		\$148.98		\$18.78	\$92.11	\$259.87
CA1	0.78		\$132.05		\$18.78	\$92.11	\$242.94
BB2	0.97		\$164.21		\$18.78	\$92.11	\$275.10
BB1	0.90		\$152.36		\$18.78	\$92.11	\$263.25
BA2	0.70		\$118.50		\$18.78	\$92.11	\$229.39
BA1	0.64		\$108.35		\$18.78	\$92.11	\$219.24
PE2	1.50		\$253.94		\$18.78	\$92.11	\$364.83
PE1	1.40		\$237.01		\$18.78	\$92.11	\$347.90
PD2	1.38		\$233.62		\$18.78	\$92.11	\$344.51
PD1	1.28		\$216.69		\$18.78	\$92.11	\$327.58
PC2	1.10		\$186.22		\$18.78	\$92.11	\$297.11
PC1	1.02		\$172.68		\$18.78	\$92.11	\$283.57
PB2	0.84		\$142.20		\$18.78	\$92.11	\$253.09
PB1	0.78		\$132.05		\$18.78	\$92.11	\$242.94
PA2	0.59		\$99.88		\$18.78	\$92.11	\$210.77
PA1	0.54		\$91.42		\$18.78	\$92.11	\$202.31

6. On pages 36541 through 36542, TABLE 6–RUG-IV CASE-MIX ADJUSTED

FEDERAL RATES FOR URBAN SNFS BY LABOR AND NON-LABOR COMPONENT is

corrected to read as follows:

**TABLE 6–RUG-IV CASE-MIX ADJUSTED FEDERAL RATES FOR URBAN SNFS BY LABOR AND NON-LABOR COMPONENT**

RUG-IV Category	Total Rate	Labor Portion	Non-Labor Portion
RUX	\$813.20	\$575.75	\$237.45
RUL	\$795.48	\$563.20	\$232.28
RVX	\$723.81	\$512.46	\$211.35
RVL	\$649.38	\$459.76	\$189.62
RHX	\$655.79	\$464.30	\$191.49
RHL	\$584.90	\$414.11	\$170.79
RMX	\$601.56	\$425.90	\$175.66
RML	\$551.94	\$390.77	\$161.17
RLX	\$528.30	\$374.04	\$154.26
RUC	\$616.50	\$436.48	\$180.02
RUB	\$616.50	\$436.48	\$180.02
RUA	\$515.49	\$364.97	\$150.52
RVC	\$528.88	\$374.45	\$154.43
RVB	\$457.99	\$324.26	\$133.73
RVA	\$456.22	\$323.00	\$133.22
RHC	\$460.85	\$326.28	\$134.57
RHB	\$414.78	\$293.66	\$121.12
RHA	\$365.16	\$258.53	\$106.63
RMC	\$404.86	\$286.64	\$118.22

<b>RUG-IV Category</b>	<b>Total Rate</b>	<b>Labor Portion</b>	<b>Non-Labor Portion</b>
RMB	\$380.05	\$269.08	\$110.97
RMA	\$312.71	\$221.40	\$91.31
RLB	\$393.63	\$278.69	\$114.94
RLA	\$253.63	\$179.57	\$74.06
ES3	\$742.43	\$525.64	\$216.79
ES2	\$581.17	\$411.47	\$169.70
ES1	\$519.15	\$367.56	\$151.59
HE2	\$501.43	\$355.01	\$146.42
HE1	\$416.37	\$294.79	\$121.58
HD2	\$469.53	\$332.43	\$137.10
HD1	\$391.56	\$277.22	\$114.34
HC2	\$442.95	\$313.61	\$129.34
HC1	\$370.29	\$262.17	\$108.12
HB2	\$437.63	\$309.84	\$127.79
HB1	\$366.75	\$259.66	\$107.09
LE2	\$455.35	\$322.39	\$132.96
LE1	\$380.92	\$269.69	\$111.23
LD2	\$437.63	\$309.84	\$127.79
LD1	\$366.75	\$259.66	\$107.09
LC2	\$384.47	\$272.20	\$112.27
LC1	\$324.22	\$229.55	\$94.67
LB2	\$364.97	\$258.40	\$106.57
LB1	\$310.04	\$219.51	\$90.53
CE2	\$405.73	\$287.26	\$118.47
CE1	\$373.84	\$264.68	\$109.16
CD2	\$384.47	\$272.20	\$112.27
CD1	\$352.57	\$249.62	\$102.95
CC2	\$336.62	\$238.33	\$98.29
CC1	\$311.81	\$220.76	\$91.05
CB2	\$311.81	\$220.76	\$91.05
CB1	\$288.77	\$204.45	\$84.32
CA2	\$263.96	\$186.88	\$77.08
CA1	\$246.24	\$174.34	\$71.90
BB2	\$279.91	\$198.18	\$81.73
BB1	\$267.51	\$189.40	\$78.11
BA2	\$232.07	\$164.31	\$67.76
BA1	\$221.43	\$156.77	\$64.66
PE2	\$373.84	\$264.68	\$109.16
PE1	\$356.11	\$252.13	\$103.98
PD2	\$352.57	\$249.62	\$102.95
PD1	\$334.85	\$237.07	\$97.78
PC2	\$302.95	\$214.49	\$88.46
PC1	\$288.77	\$204.45	\$84.32
PB2	\$256.88	\$181.87	\$75.01
PB1	\$246.24	\$174.34	\$71.90
PA2	\$212.57	\$150.50	\$62.07
PA1	\$203.71	\$144.23	\$59.48

7. On pages 36542 through 36543, TABLE 7–RUG-IV CASE-MIX ADJUSTED

FEDERAL RATES FOR RURAL SNFS BY LABOR AND NON-LABOR COMPONENT is

corrected to read as follows:

**TABLE 7–RUG-IV CASE-MIX ADJUSTED FEDERAL RATES FOR RURAL SNFS BY LABOR AND NON-LABOR COMPONENT**

<b>RUG-IV Category</b>	<b>Total Rate</b>	<b>Labor Portion</b>	<b>Non-Labor Portion</b>
RUX	\$831.94	\$589.01	\$242.93
RUL	\$815.02	\$577.03	\$237.99
RVX	\$730.98	\$517.53	\$213.45
RVL	\$659.88	\$467.20	\$192.68
RHX	\$654.63	\$463.48	\$191.15
RHL	\$586.91	\$415.53	\$171.38
RMX	\$594.92	\$421.20	\$173.72
RML	\$547.52	\$387.64	\$159.88
RLX	\$517.81	\$366.61	\$151.20
RUC	\$644.03	\$455.97	\$188.06
RUB	\$644.03	\$455.97	\$188.06
RUA	\$547.54	\$387.66	\$159.88
RVC	\$544.76	\$385.69	\$159.07
RVB	\$477.04	\$337.74	\$139.30
RVA	\$475.35	\$336.55	\$138.80
RHC	\$468.41	\$331.63	\$136.78
RHB	\$424.40	\$300.48	\$123.92
RHA	\$376.99	\$266.91	\$110.08
RMC	\$407.00	\$288.16	\$118.84
RMB	\$383.30	\$271.38	\$111.92
RMA	\$318.97	\$225.83	\$93.14
RLB	\$389.15	\$275.52	\$113.63
RLA	\$255.41	\$180.83	\$74.58
ES3	\$716.95	\$507.60	\$209.35
ES2	\$562.89	\$398.53	\$164.36
ES1	\$503.64	\$356.58	\$147.06
HE2	\$486.71	\$344.59	\$142.12
HE1	\$405.45	\$287.06	\$118.39
HD2	\$456.24	\$323.02	\$133.22
HD1	\$381.75	\$270.28	\$111.47
HC2	\$430.85	\$305.04	\$125.81
HC1	\$361.44	\$255.90	\$105.54
HB2	\$425.77	\$301.45	\$124.32
HB1	\$358.05	\$253.50	\$104.55
LE2	\$442.70	\$313.43	\$129.27
LE1	\$371.60	\$263.09	\$108.51
LD2	\$425.77	\$301.45	\$124.32
LD1	\$358.05	\$253.50	\$104.55
LC2	\$374.98	\$265.49	\$109.49
LC1	\$317.42	\$224.73	\$92.69
LB2	\$356.36	\$252.30	\$104.06
LB1	\$303.88	\$215.15	\$88.73
CE2	\$395.30	\$279.87	\$115.43
CE1	\$364.83	\$258.30	\$106.53
CD2	\$374.98	\$265.49	\$109.49
CD1	\$344.51	\$243.91	\$100.60
CC2	\$329.27	\$233.12	\$96.15

<b>RUG-IV Category</b>	<b>Total Rate</b>	<b>Labor Portion</b>	<b>Non-Labor Portion</b>
CC1	\$305.57	\$216.34	\$89.23
CB2	\$305.57	\$216.34	\$89.23
CB1	\$283.57	\$200.77	\$82.80
CA2	\$259.87	\$183.99	\$75.88
CA1	\$242.94	\$172.00	\$70.94
BB2	\$275.10	\$194.77	\$80.33
BB1	\$263.25	\$186.38	\$76.87
BA2	\$229.39	\$162.41	\$66.98
BA1	\$219.24	\$155.22	\$64.02
PE2	\$364.83	\$258.30	\$106.53
PE1	\$347.90	\$246.31	\$101.59
PD2	\$344.51	\$243.91	\$100.60
PD1	\$327.58	\$231.93	\$95.65
PC2	\$297.11	\$210.35	\$86.76
PC1	\$283.57	\$200.77	\$82.80
PB2	\$253.09	\$179.19	\$73.90
PB1	\$242.94	\$172.00	\$70.94
PA2	\$210.77	\$149.23	\$61.54
PA1	\$202.31	\$143.24	\$59.07

8. On page 36543, under Table 7,
  - a. Second column, first partial paragraph, line 15, the figure “1.0013” is corrected to read “1.0010”.
  - b. Third column, first full paragraph, line 16, the figure “\$47,596.42” is corrected to read “\$47,602.52”.

9. On page 36543, TABLE 8–ADJUSTED RATE COMPUTATION EXAMPLE SNF XYZ: LOCATED IN FREDERICK, MD (URBAN CBSA 43524) WAGE INDEX: 0.9863 [See Wage Index in Table A]<sup>1</sup> is corrected to read as follows:

**TABLE 8–ADJUSTED RATE COMPUTATION EXAMPLE SNF XYZ: LOCATED IN FREDERICK, MD (URBAN CBSA 43524) WAGE INDEX: 0.9869 (See Wage Index in Table A)<sup>1</sup>**

<b>RUG-IV Group</b>	<b>Labor</b>	<b>Wage Index</b>	<b>Adjusted Labor</b>	<b>Non-Labor</b>	<b>Adjusted Rate</b>	<b>Percent Adjustment</b>	<b>Medicare Days</b>	<b>Payment</b>
RVX	\$512.46	0.9869	\$505.75	\$211.35	\$717.10	\$717.10	14	\$10,039.40
ES2	\$411.47	0.9869	\$406.08	\$169.70	\$575.78	\$575.78	30	\$17,273.40
RHA	\$258.53	0.9869	\$255.14	\$106.63	\$361.77	\$361.77	16	\$5,788.32
CC2*	\$238.33	0.9869	\$235.21	\$98.29	\$333.50	\$760.38	10	\$7,603.80
BA2	\$164.31	0.9869	\$162.16	\$67.76	\$229.92	\$229.92	30	\$6,897.60
							100	\$47,602.52

\*Reflects a 128 percent adjustment from section 511 of the MMA.

<sup>1</sup> Available on the CMS website at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service->

10. On pages 36629, TABLE 26–PROJECTED IMPACT TO THE SNF PPS FOR FY 2018 is corrected to read as follows:

**TABLE 26–PROJECTED IMPACT TO THE SNF PPS FOR FY 2018**

	<b>Number of Facilities FY 2018</b>	<b>Update Wage Data</b>	<b>Total Change</b>
<b>Group</b>			
Total	15,468	0.0%	1.0%
Urban	11,008	0.1%	1.1%
Rural	4,460	-0.6%	0.4%
Hospital-based urban	518	0.2%	1.2%
Freestanding urban	10,490	0.1%	1.1%
Hospital-based rural	577	-0.7%	0.3%
Freestanding rural	3,883	-0.6%	0.4%
<b>Urban by region</b>			
New England	791	0.2%	1.2%
Middle Atlantic	1,487	0.4%	1.4%
South Atlantic	1,867	-0.2%	0.8%
East North Central	2,121	0.0%	1.0%
East South Central	551	-0.6%	0.4%
West North Central	919	0.4%	1.4%
West South Central	1,339	0.1%	1.1%
Mountain	511	-0.2%	0.8%
Pacific	1,417	0.5%	1.5%
Outlying	5	-2.0%	-1.0%
<b>Rural by region</b>			
New England	137	1.5%	2.5%
Middle Atlantic	215	-0.5%	0.5%
South Atlantic	502	-0.7%	0.3%
East North Central	937	-1.1%	-0.1%
East South Central	528	-0.9%	0.1%
West North Central	1,076	-0.4%	0.6%
West South Central	738	-0.6%	0.4%
Mountain	228	-0.3%	0.7%
Pacific	99	0.1%	1.1%
<b>Ownership</b>			
Profit	1,045	-0.3%	0.7%
Non-profit	10,822	0.0%	1.0%
Government	3,601	0.0%	1.0%

**Note:** The Total column includes the 1.0 percent market basket increase required by section 1888(e)(5)(B)(iii) of the Act. Additionally, we found no SNFs in rural outlying areas.

CMS-1679-CN

Dated: September 29, 2017

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**Ann C. Agnew,**

Executive Secretary to the Department,

Department of Health and Human Services.

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