

mix of cases compared to that of other hospitals. We then computed the increase in average case mix for hospitals paid under the Medicare prospective payment system in fiscal year 1997 compared to fiscal year 1996. (Hospitals excluded from the prospective payment system were excluded from this calculation since their payments are based on reasonable costs and are affected only by real increases in case mix.) We used bills from prospective payment hospitals received in HCFA as of July 1997. These bills represent a total of about 8.3 million discharges for fiscal year 1997 and provide the most recent case mix data available at this time. Based on these bills, the increase in average case mix in fiscal year 1997 is 0.12 percent. Based on past experience, we expect overall case mix to increase to 0.5 percent as the year progresses and more fiscal year 1997 data become available.

Section 1813 of the Act requires that the inpatient hospital deductible be increased only by that portion of the case mix increase that is determined to be real. We estimate that the increase in real case mix is about 0.5 percent. We believe that any case mix increased up to 1 percent is real case mix increase. Therefore, for fiscal year 1997, all of the case mix increase, 0.5 percent, is real case mix increase.

Thus, the estimate of the payment-weighted average of the applicable percentage increases used for updating the payment rates is 0 percent, and the real case mix adjustment factor for the deductible is 0.5 percent. Therefore, under the statutory formula, the inpatient hospital deductible for services furnished in calendar year 1998 is \$764. This deductible amount is determined by multiplying \$760 (the inpatient hospital deductible for 1997) by the payment rate increase of 1.00 multiplied by the increase in real case mix of 1.005 which equals \$763.8 and is rounded to \$764.

### III. Computing the Inpatient Hospital and Extended Care Services Coinsurance Amounts for 1998

The coinsurance amounts provided for in section 1813 of the Act are defined as fixed percentages of the inpatient hospital deductible for services furnished in the same calendar year. Thus, the increase in the deductible generates increases in the coinsurance amounts. For inpatient hospital and extended care services furnished in 1998, in accordance with the fixed percentages defined in the law, the daily coinsurance for the 61st through 90th days of hospitalization in a benefit period will be \$191 (1/4 of the

inpatient hospital deductible); the daily coinsurance for lifetime reserve days will be \$382 (1/2 of the inpatient hospital deductible); and the daily coinsurance for the 21st through 100th days of extended care services in a skilled nursing facility in a benefit period will be \$95.50 (1/8 of the inpatient hospital deductible).

### IV. Cost to Beneficiaries

We estimate that in 1998 there will be about 9.1 million deductibles paid at \$764 each, about 2.8 million days subject to coinsurance at \$191 per day (for hospital days 61 through 90), about 1.3 million lifetime reserve days subject to coinsurance at \$382 per day, and about 25.0 million extended care days subject to coinsurance at \$95.50 per day. Similarly, we estimate that in 1997 there will be about 8.9 deductibles paid at \$760 each, about 2.7 million days subject to coinsurance at \$190 per day (for hospital days 61 through 90), about 1.3 million lifetime reserve days subject to coinsurance at \$380 per day, and about 24.6 million extended care days subject to coinsurance at \$95.00 per day. Therefore, the estimated total increase in cost to beneficiaries is about \$260 million (rounded to the nearest \$10 million), due to (1) the increase in the deductible and coinsurance amounts and (2) the change in the number of deductibles and daily coinsurance amounts paid.

### V. Waiver of Proposed Notice and Comment Period

The Medicare statute, as discussed previously, requires publication of the Medicare Part A inpatient hospital deductible and the hospital and extended care services coinsurance amounts for services for each calendar year. The amounts are determined according to the statute. As has been our custom, we use general notices, rather than formal notice and comment rulemaking procedures, to make such announcements. In doing so, we acknowledge that, under the Administrative Procedure Act, interpretive rule, general statements of policy, and rules of agency organization, procedure, or practice are excepted from the requirements of notice and comment rulemaking.

We considered publishing a proposed notice to provide a period for public comment. However, we may waive that procedure if we find good cause that prior notice and comment are impracticable, unnecessary, or contrary to the public interest. We find that the procedure for notice and comment is unnecessary because the formula used to calculate the inpatient hospital

deductible and hospital and extended care services coinsurance amounts is statutorily directed, and we can exercise no discretion in following that formula. Moreover, the statute establishes the time period for which the deductible and coinsurance amounts will apply and delaying publication would be contrary to the public interest.

Therefore, we find good cause to waive publication of a proposed notice and solicitation of public comments.

### VI. Impact Statement

This notice merely announces amounts required by legislation. This notice is not a proposed rule or a final rule issued after a proposal and does not alter any regulation or policy. Therefore, we have determined, and certify, that no analyses are required under Executive Order 12866, the Regulatory Flexibility Act (5 U.S.C. 601 through 612), or section 1102(b) of the Act.

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

**Authority:** Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)).

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance)

Dated: September 19, 1997.

**Nancy-Ann Min DeParle,**

*Deputy Administrator, Health Care Financing Administration.*

Dated: October 7, 1997.

**Donna E. Shalala,**

*Secretary.*

[FR Doc. 97-29032 Filed 10-31-97; 8:45 am]

BILLING CODE 4120-01-P

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

[OACT-056-N]

RIN 0938-A110

### Medicare Program; Part A Premium for 1998 for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement

**AGENCY:** Health Care Financing Administration (HCFA), HHS.

**ACTION:** Notice.

**SUMMARY:** This notice announces the hospital insurance premium for calendar year 1998 under Medicare's hospital insurance program (Part A) for the uninsured aged and for certain disabled individuals who have exhausted other entitlement. The monthly Medicare Part A premium for

the 12 months beginning January 1, 1998 for these individuals is \$309. The reduced premium for certain other individuals as described in this notice is \$170. Section 1818(d) of the Social Security Act specifies the method to be used to determine these amounts.

**EFFECTIVE DATE:** This notice is effective on January 1, 1998.

**FOR FURTHER INFORMATION CONTACT:** John Wandishin, (410) 786-6389.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Section 1818 of the Social Security Act (the Act) provides for voluntary enrollment in the Medicare hospital insurance program (Medicare Part A), subject to payment of a monthly premium, of certain persons who are age 65 and older, uninsured for social security or railroad retirement benefits and do not otherwise meet the requirements for entitlement to Medicare Part A. (Persons insured under the Social Security or Railroad Retirement Acts need not pay premiums for hospital insurance.)

Section 1818(d) of the Act requires us to estimate, on an average per capita basis, the amount to be paid from the Federal Hospital Insurance Trust Fund for services performed and for related administrative costs incurred in the following year with respect to individuals age 65 and over who will be entitled to benefits under Medicare Part A. We must then, during September of each year, determine the monthly actuarial rate (the per capita amount estimated above divided by 12) and publish the dollar amount to be applicable for the monthly premium in the succeeding year. If the premium is not a multiple of \$1, the premium is rounded to the nearest multiple of \$1 (or, if it is a multiple of 50 cents but not of \$1, it is rounded to the next highest \$1). The 1997 premium under this method was \$311 and was effective January 1, 1997. (See 61 FR 56691, November 4, 1996.)

Section 1818(d)(2) of the Act requires us to determine and publish, during September of each calendar year, the amount of the monthly premium for the following calendar year for persons who voluntarily enroll in Medicare Part A.

Section 1818A of the Act provides for voluntary enrollment in Medicare Part A, subject to payment of a monthly premium, of certain disabled individuals who have exhausted other entitlement. These individuals are those not now entitled but who have been entitled under section 226(b) of the Act, who continue to have the disabling impairment upon which their

entitlement was based, and whose entitlement ended solely because they had earnings that exceeded the substantial gainful activity amount (as defined in section 223(d)(4) of the Act).

Section 1818A(d)(2) of the Act specifies that the premium determined under section 1818(d)(2) of the Act for the aged will also apply to certain disabled individuals as described above.

Section 13508 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66, enacted on August 10, 1993) amended section 1818(d) of the Act to provide for a reduction in the monthly premium amount for certain voluntary enrollees. The reduction applies for individuals who are not eligible for social security or railroad retirement benefits but who:

- Had at least 30 quarters of coverage under title II of the Act;
- Were married and had been married for the previous 1-year period to an individual who had at least 30 quarters of coverage;
- Had been married to an individual for at least 1 year at the time of the individual's death and the individual had at least 30 quarters of coverage; or
- Are divorced from an individual who at the time of divorce had at least 30 quarters of coverage and the marriage lasted at least 10 years.

For calendar year 1998, section 1818(d)(4)(A) of the Act specifies that the monthly premium that these individuals will pay for calendar year 1998 will be equal to the monthly premium for aged voluntary enrollees reduced by 45 percent.

**II. Premium Amount for 1998**

Under the authority of sections 1818(d)(2) and 1818A(d)(2) of the Act, the Secretary has determined that the monthly Medicare Part A hospital insurance premium for the uninsured aged and for certain disabled individuals who have exhausted other entitlement for the 12 months beginning January 1, 1998, is \$309.

The monthly premium for those individuals entitled to a 45-percent reduction in the monthly premium for the 12-month period beginning January 1, 1998 is \$170.

**III. Statement of Actuarial Assumptions and Bases Employed in Determining the Monthly Premium Rate**

As discussed in section I of this notice, the monthly Medicare Part A premium for 1998 is equal to the estimated monthly actuarial rate for 1998 rounded to the nearest multiple of \$1. The monthly actuarial rate is defined to be one-twelfth of the average per capita amount that the Secretary

estimates will be paid from the Federal Hospital Insurance Trust Fund for services performed and related administrative costs incurred in 1998 for individuals age 65 and over who will be entitled to benefits under the hospital insurance program. Thus, the number of individuals age 65 and over who will be entitled to hospital insurance benefits and the costs incurred on behalf of these beneficiaries must be projected to determine the premium rate.

The principal steps involved in projecting the future costs of the hospital insurance program are (a) establishing the present cost of services furnished to beneficiaries, by type of service, to serve as a projection base; (b) projecting increases in payment amounts for each of the various service types; and (c) projecting increases in administrative costs. Establishing historical Medicare Part A enrollment and projecting future enrollment, by type of beneficiary, is part of this process.

We have completed all of the above steps, basing our projections for 1998 on (a) current historical data and (b) projection assumptions under current law from the Midsession Review of the President's Fiscal Year 1998 Budget, incorporating the provisions of Public Law 103-66. It is estimated that in calendar year 1998, 33.032 million people age 65 and over will be entitled to Medicare Part A benefits (without premium payment), and that these individuals will, in 1998, incur \$122.357 billion of benefits for services performed and related administrative costs. Thus, the estimated monthly average per capita amount is \$308.68 and the monthly premium is \$309. The monthly premium for those individuals eligible to pay this premium reduced by 45 percent is \$170.

**IV. Costs to Beneficiaries**

The 1998 Medicare Part A premium is less than 1 percent lower than the \$311 monthly premium amount for the 12-month period beginning January 1, 1997.

We estimate that there will be, in calendar year 1998, approximately 344,000 enrollees who will voluntarily enroll in Medicare Part A by paying the full premium and who do not otherwise meet the requirements for entitlement. An additional 9,000 enrollees will be paying the reduced premium. The estimated overall effect of the changes in the premium will be a savings to these voluntary enrollees of about \$10 million.

### V. Waiver of Notice of Proposed Rulemaking

The Medicare statute, as discussed previously, requires publication of the Medicare Part A hospital insurance premium for the upcoming calendar year during September of each year. The amounts are determined according to the statute. As has been our custom, we use general notices, rather than formal notice and comment rulemaking procedures, to make such announcements. In doing so, we acknowledge that, under the Administrative Procedure Act, interpretive rules, general statements of policy, and rules of agency organization, procedure, or practice are excepted from the requirements of notice and comment rulemaking.

We considered publishing a proposed notice to provide a period for public comment. However, we may waive that procedure if we find good cause that prior notice and comment are impracticable, unnecessary, or contrary to the public interest. We find that the procedure for notice and comment is unnecessary because the formula used to calculate the Part A hospital insurance premium is statutorily directed, and we can exercise no discretion in following that formula. Moreover, the statute established the time period for which the premium will apply and delaying publication of the premium amount would be contrary to the public interest. Therefore, we find good cause to waive publication of a proposed notice and solicitation of public comments.

### VI. Impact Statement

This notice merely announces amounts required by legislation. This notice is not a proposed rule or a final rule issued after a proposal, and it does not alter any regulation or policy. Therefore, we have determined and certify that no analyses are required under Executive Order 12866, the Regulatory Flexibility Act (5 U.S.C. 601 through 612), or section 1102(b) of the Act.

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

**Authority:** Sections 1818(d)(2) and 1818A(d)(2) of the Social Security Act (42 U.S.C. 1395i-2(d)(2) and 1395i-2a(d)(2)). (Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance)

Dated: September 19, 1997.

**Nancy-Ann Min DeParle,**  
*Deputy Administrator, Health Care Financing Administration.*

Dated: October 7, 1997.

**Donna E. Shalala,**  
*Secretary.*  
[FR Doc. 97-29030 Filed 10-31-97; 8:45 am]  
BILLING CODE 4120-01-P

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

#### Substance Abuse and Mental Health Services Administration (SAMHSA)

##### Notice of Meeting

Pursuant to Public Law 92-463, notice is hereby given of the meeting of the Substance Abuse and Mental Health Services Administration (SAMHSA) National Advisory Council in November 1997.

The meeting will include the review, discussion and evaluation of individual contract proposals, as well as a presentation and discussion of information about the Agency's procurement plans. Therefore, a portion of the meeting will be closed to the public as determined by the Administrator, SAMHSA, in accordance with Title 5 U.S.C. 552b(c) (3), (4), and (6) and 5 U.S.C. App. 2, Section 10(d).

In addition, a portion of the SAMHSA National Advisory Council meeting will be open and include a presentation of certificates of appreciation to those members whose terms will end on November 30. Attendance by the public will be limited to space available. Public comments are welcome during the open session. Please communicate with the individual listed as contact below to make arrangements to comment or to request special accommodations for persons with disabilities.

Substantive program information, summary of the meeting and a roster of Council members may also be obtained from the contact whose name and telephone number is listed below.

*Committee Name:* SAMHSA National Advisory Council.

*Meeting Date:* November 13, 1997.

*Place:* Phoenix Park Hotel, 520 North Capitol Street, N.W., Washington, D.C. 20001.

*Closed:* November 13, 1997, 1:00 p.m. to 4:20 p.m.

*Open:* November 13, 1997, 4:30 p.m. to 5:30 p.m.

*Contact:* Toian Vaughn, Executive Secretary, Room 12C-15, Parklawn Building, Telephone: (301) 443-4640 and FAX: (301) 443-1450.

Dated: October 28, 1997.

**Jeri Lipov,**  
*Committee Management Officer, Substance Abuse and Mental Health Services Administration.*  
[FR Doc. 97-28991 Filed 10-31-97; 8:45 am]  
BILLING CODE 4162-20-P

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

#### Substance Abuse and Mental Health Services Administration (SAMHSA) Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of the following meeting of the SAMHSA Special Emphasis Panel II in November, 1997.

A summary of the meeting may be obtained from: Ms. Dee Herman, Committee Management Liaison, SAMHSA, Office of Program Planning and Coordination (OPPC), Division of Extramural Activities Policy and Review, 5600 Fishers Lane, Room 17-89, Rockville, Maryland 20857. Telephone: (301) 443-7390.

Substantive program information may be obtained from the individual named as Contact for the meeting listed below.

The meeting will include the review, discussion and evaluation of individual contract proposals. These discussions could reveal personal information concerning individuals associated with the proposals and confidential and financial information about an individual's proposal. The discussion may also reveal information about procurement activities exempt from disclosure by statute and trade secrets and commercial or financial information obtained from a person and privileged and confidential. Accordingly, the meeting is concerned with matters exempt from mandatory disclosure in Title 5 U.S.C. 552b(c) (3), (4), and (6) and 5 U.S.C. App. 2, § 10(d).

*Committee Name:* SAMHSA Special Emphasis Panel II.

*Meeting Date:* November 13, 1997.

*Place:* Residence Inn, Gate House Board Room, 335 Wisconsin Avenue, Bethesda, MD 20814.

*Closed:* November 13, 1997, 9:00 a.m.—Adjournment.

*Contact:* Ferdinand W. Hui, Ph.D., Room 17-89, Parklawn Building, Telephone: (301) 443-2437 and FAX: (301) 443-3437.

Dated: October 28, 1997.

**Jeri Lipov,**  
*Committee Management Officer, Substance Abuse and Mental Health Services Administration.*  
[FR Doc. 97-28994 Filed 10-31-97; 8:45 am]  
BILLING CODE 4162-20-P