

stated previously, EPA has made such a good cause finding, including the reasons therefor, and established an effective date of June 30, 2000. EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. This action is not a "major rule" as defined by 5 U.S.C. 804(2).

#### List of Subjects in 40 CFR Part 82

Environmental protection,  
Administrative practice and procedure,

Air pollution control, Chemicals, Chlorofluorocarbons, Exports, Imports, Ozone layer, Reporting and recordkeeping requirements.

Dated: June 22, 2000.

**Carol M. Browner,**  
*Administrator.*

40 CFR Part 82 is to be amended as follows:

#### PART 82—PROTECTION OF STRATOSPHERIC OZONE

1. The authority citation for part 82 continues to read as follows:

**Authority:** 42 U.S.C. 7414, 7601, 7671–7671q.

#### Subpart A—Production and Consumption Controls

2. Section 82.4 is amended by revising the table in paragraph (t)(2) to read as follows:

##### § 82.4 Prohibitions.

*	*	*	*	*
(t)	*	*	*	*
(2)	*	*	*	*

TABLE 1—ESSENTIAL USE ALLOCATION FOR CALENDAR YEAR 2000

Company	Chemical	Quantity (metric tons)
<b>(i) Metered Dose Inhalers (for oral inhalation) for Treatment of Asthma and Chronic Obstructive Pulmonary Disease (in metric tons)</b>		
International Pharmaceutical Aerosol Consortium (IPAC)—Medeva Americas, Inc., Boehringer Ingelheim Pharmaceuticals, Glaxo Wellcome, Aventis (formerly Rhone-Poulenc Rorer), 3M. Medisol Laboratories, Inc. ....	CFC-11 or ..... CFC-12 or ..... CFC-114 ..... CFC-11 or ..... CFC-12 or ..... CFC-114 .....	2038.0   49.0   1048.0
Schering Corporation .....	CFC-11 or ..... CFC-12 or ..... CFC-114 .....	   1.3
Sciarras Laboratories, Inc. ....	CFC-11 or ..... CFC-12 or ..... CFC-114 .....	   3.4
<b>(ii) Cleaning, Bonding and Surface Activation Applications for the Space Shuttle Rockets and Titan Rockets</b>		
National Aeronautics and Space Administration (NASA)/Thiokol Rocket .....	Methyl Chloroform .....	56.7
United States Air Force/Titan Rocket .....	Methyl Chloroform .....	3.4

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#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

#### Health Care Financing Administration

#### Office of Inspector General

**42 CFR Parts 409, 410, 411, 412, 413, 419, 424, 489, 498, and 1003**

[HCFA-1005-N5]

RIN 0938-A156

#### Medicare Program; Prospective Payment System for Hospital Outpatient Services; Delay of Effective Date

**AGENCY:** Health Care Financing Administration (HCFA), HHS, and Office of Inspector General (OIG), HHS.

**ACTION:** Notice of delay of effective date for final rule with comment period.

**SUMMARY:** This document delays the effective date on a final rule with comment period published in the **Federal Register** on April 7, 2000 (65 FR 18434). That rule implemented a prospective payment system for hospital outpatient services furnished to Medicare beneficiaries, as set forth in section 1833(t) of the Social Security Act. It also established requirements for provider departments and provider-based entities, and it implemented section 9343(c) of the Omnibus Budget Reconciliation Act of 1986, which prohibits Medicare payment for nonphysician services furnished to a hospital outpatient by a provider or supplier other than a hospital, unless the services are furnished under an arrangement with the hospital. In addition, the rule established in regulations the extension of reductions in payment for costs of hospital outpatient services required by section 4522 of the Balanced Budget Act of 1997, as amended by section 201(k) of the Balanced Budget Refinement Act of

1999. The effective date is delayed from July 1, 2000 to August 1, 2000.

**DATES:** *Effective date:* August 1, 2000, except that the changes to § 412.24(d)(6), new § 413.65, and the changes to § 489.24(h), § 498.2, and § 498.3 are effective October 10, 2000.

*Applicability date:* For Medicare services furnished by hospitals that are subject to the prospective payment system, including hospitals excluded from the inpatient prospective payment system, and by community mental health centers, the applicability date for implementation of the hospital outpatient prospective payment system is August 1, 2000.

**FOR FURTHER INFORMATION CONTACT:** Janet Wellham, (410) 786-4510.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

On April 7, 2000, we issued a final rule with comment period in the **Federal Register** (65 FR 18434) that reflected the provisions of the September 8, 1998 proposed rule (63 FR

47552), except as noted in the preamble of the April 2000 rule (65 FR 18527).

Based on the following concerns, we have decided to delay the effective date of the April 2000 final rule until August 1, 2000.

In order to implement the prospective payment system (PPS), we have had to make a major change to the current claims processing system. This change, called the claims expansion and line item processing (CELIP), expands the electronic version of the claim form used by hospitals to submit claims to the automated bill processing systems to correctly determine the Medicare payment and beneficiary copayment amounts for outpatient services under PPS. Because a beneficiary can receive many outpatient services during one hospital visit and the payment system must properly group all the services furnished in one visit to accurately calculate Medicare's payment and the beneficiary's copayment, it was necessary to expand the electronic claim form to greatly increase the number of line items a hospital can bill for any one visit as well as provide for adjudication of each individual line item on the claim. As noted in the final rule with comment period, the CELIP is a necessary prerequisite for implementing outpatient PPS (65 FR 18488).

During most of 1998 and for all of 1999, HCFA, along with other government agencies and private sector companies throughout the world, focused its technology resources on ensuring the Y2K compliance of its computer systems. After meeting the challenges posed by Y2K, HCFA then resumed other systems work, including testing implementation of the CELIP. As we began testing the CELIP, some unanticipated problems arose, resulting in a need for reprogramming and testing the systems changes. Although we originally believed that the problems could be corrected in time to implement the PPS on July 1 as provided in the April final rule with comment period, we have concluded based on more recent testing and adjustment that it is virtually impossible for the new payment system to be effectively implemented on July 1 as we had planned. We address below some of the problems HCFA, its contractors, and hospitals encountered in transitioning to the new outpatient PPS payment system that have necessitated a change in effective date for implementation of that payment system.

Expanding the number of line items on the electronic claim form from the current 56 to the 450 needed to implement the PPS caused serious problems for HCFA's computer systems.

When we attempted to program this change, we found that our computer systems could not accommodate the expanded claim form. As a result, we had to split the claim form into four different files, expending time and programming resources for tasks we had not anticipated. We encountered similar problems in installing the outpatient code editor (OCE). The OCE is also a critical component of the system we use to pay outpatient claims. The OCE edits claim data to identify errors and returns edit flags when appropriate. It also assigns the Ambulatory Payment Classification (APC) number. Each APC is comprised of services that are similar clinically and which require similar hospital resources. The APC is supplied by the OCE to the pricing program that calculates a payment rate for each APC. We found that the OCE did not fit into the configuration management tool that governs the size of the software used by each computer system to make payment under the PPS. As a result, the tables in the OCE were reconfigured as with the claim form, and we had to split the OCE into segments to allow it to work with HCFA's computer systems. Because of these and similar problems, the testing of our computer systems with the CELIP installed had to be repeated a number of times. (In the testing mode in which we were operating, this did not cause any disruptions to payments made under current payment methodologies.)

As noted above, the CELIP was a necessary prerequisite for the systems changes that will actually implement the new PPS payment methodology. The OCE and CELIP have now been released to intermediaries, although we continue to test and refine CELIP further. Now that the CELIP has been released, we must make and fully test the PPS methodology systems changes before implementation to ensure that we make accurate payments. It is not feasible to complete this work consistent with a July 1 effective date for the PPS.

A one-month delay in the effective date of the PPS will also allow hospitals to have sufficient time to adjust to the programming changes necessary to implement the new payment system. Hospitals need sufficient time after HCFA completes its programming changes to complete modifications of their own systems, test those systems in interaction with HCFA's new systems, and train their personnel on use of the new systems. As previously discussed, these activities have been delayed due to problems with various required systems changes and modifications to the OCE, the magnitude of which was not known when we published the

April 2000 final rule with comment period.

We acknowledge that unavoidable delays in software development by HCFA have impeded the ability of the hospital industry to fully prepare for implementation of outpatient PPS. We have been informed by hospitals and major hospital associations that, given these programming delays that HCFA has encountered, maintaining the current effective date for the PPS would virtually ensure that hospitals would not be able to implement the PPS accurately. A brief delay in the effective date would allow the industry more time for training and preparation for what we hope will be a fully operational PPS, which would in turn help reduce the number of errors or other problems that might occur as hospitals transition to the new PPS.

We are intensifying our efforts to provide clear and accurate training to fiscal intermediaries, hospitals, and community mental health centers. On June 15, 2000, we held a national satellite broadcast to assist hospitals in preparing for implementation. We are also compiling a booklet of "Frequently Asked Questions and Answers" that will be available both on the internet and in printed form. Other efforts include reconfiguring the PPS materials on the HCFA web site to facilitate access to relevant program instructions, training documents, and other materials. In July 2000, we plan to host a face-to-face town hall meeting at the HCFA headquarters in Baltimore, Maryland. The purpose of this meeting will be to respond to any remaining concerns about the implementation of the new system. To assure that our fiscal intermediaries remain up-to-date, and that we can respond to any contractor concerns, we are continuing our weekly conference calls with them and will also provide them with a video to update their training. We also plan to continue our weekly teleconferences with hospital and beneficiary associations to keep them abreast of our implementation schedule, and to answer any questions.

We considered, but rejected as unworkable, contingency plans that we hoped might have allowed us to meet the July 1 effective date. Under these plans, we might have been able to meet the effective date even though we would not have been able to implement the PPS on that date. Under this scenario, we would have had to either request hospitals to hold claims until our systems were ready or hold the claims ourselves. We concluded that we could not request hospitals to hold their claims, thus interrupting their stream of

payment for outpatient services for a potentially significant period of time. In addition, many of our intermediaries do not have sufficient electronic storage space to hold claims for nearly as long as it will take for our systems to be fully tested.

Even if sufficient storage capacity were available, holding claims until HCFA was fully able to implement the PPS would lead to problems. These would have included extensive operational delays at the intermediaries to process and pay the claims once the software became available. Considerable risk of improper or inaccurate payment exists in later working off what would be a crippling backlog of held claims in an expedited manner. Therefore, given our need to accurately program and test the PPS, it would not be feasible, given our operational limitations, to maintain the previous July 1 effective date. Because of the uncertainty for providers, beneficiaries, and HCFA contractors that would be caused by holding claims for any significant period of time, we do not believe that such a course of action provides a viable alternative to a brief delay in the effective date of the PPS.

We had hoped and planned to be able to implement the PPS on July 1, 2000 as stated in the April final rule with comment period. We regret that we must postpone the benefits of the new payment system for beneficiaries, even for only one month. Nevertheless, because of the significance of the considerations discussed above and the unacceptable risk to the successful implementation of the PPS that would be incurred if we chose to move forward as originally planned and implement the PPS on July 1, we have recognized the need to postpone the effective date announced in the April rule.

As stated earlier, the changes to § 412.24(d)(6), new § 413.65, and the changes to § 489.24(h), § 489.2 and § 489.3 will still be effective on October 10, 2000.

## II. Impact Statement

In the April 7, 2000 final rule, we discussed the changes the BBA and BBRA will have on payments to hospitals and beneficiaries. Because we are delaying the implementation of the final rule, the current payment rates required under pre-BBA rules will remain in effect for an additional 32 days which may have a significant impact on a substantial number of small entities.

(Catalog of Federal Domestic Assistance 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: June 22, 2000.

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

Dated: June 23, 2000.

**Michael F. Mangano,**  
*Principal Deputy Inspector General, Department of Health and Human Services.*

Approved: June 23, 2000.

**Donna E. Shalala,**  
*Secretary.*

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 50 CFR Parts 600 and 660

[Docket No. 991223347-9347-01; I.D. 120299C]

#### Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Extension of Emergency Rule

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Extension of emergency rule effectiveness period.

**SUMMARY:** This action extends an existing emergency rule that was published in conjunction with the annual specifications and management measures for the Pacific coast groundfish fishery off Washington, Oregon, and California in 2000. The emergency authority was used to implement and designate as routine a number of management measures that are intended to achieve rebuilding plans for overfished stocks, reduce bycatch, prevent overfishing, maximize the harvest of healthy stocks while protecting and rebuilding overfished and depleted stocks, and equitably distribute the burdens among the different fishing sectors. The emergency rule is authorized by the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

**DATES:** The emergency rule published January 4, 2000, beginning at 65 FR 221, is extended until the effective date of the annual specifications and management measures for the 2001 groundfish fishery, but no later than January 3, 2001. The 2001 annual specifications and management measures will be published in the **Federal Register**.

**ADDRESSES:** Copies of the environmental assessment/regulatory impact review are available from William Stelle, Jr., Administrator, Northwest Region (Regional Administrator), NMFS, 7600 Sand Point Way NE., BIN C15700, Bldg. 1, Seattle, WA 98115-0070; or Rodney McInnis, Acting Administrator, Southwest Region, NMFS, 501 West Ocean Blvd., Suite 4200, Long Beach, CA 90802-4213.

**FOR FURTHER INFORMATION CONTACT:** Katherine King at 206-526-6140.

**SUPPLEMENTARY INFORMATION:** NMFS is extending an emergency rule (65 FR 221, January 4, 2000) which otherwise would expire on July 3, 2000. The emergency authority was used to implement and designate as routine a number of management measures that were designed to achieve rebuilding plans for overfished stocks, reduce bycatch, prevent overfishing, maximize the harvest of healthy stocks while protecting and rebuilding overfished and depleted stocks, and equitably distribute the burdens among the different fishing sectors. NMFS is extending the rule pursuant to the emergency rulemaking authority of the Secretary of Commerce (Secretary) under the Magnuson-Stevens Act, 16 U.S.C. 1855(c)(3)(B). Amendment 13 to the FMP, currently under development, includes provisions that would authorize, on a permanent basis, future use of the provisions implemented under the emergency rule. This action is necessary to maintain the management regime approved by the Secretary, implemented on January 1, 2000, pending Secretarial review and approval of Amendment 13. No changes to the emergency rule are made by this extension.

#### Background

In the past, annual management measures have been primarily set through "routine" management procedures that consisted of adjusting commercial trip limits and recreational bag limits. For most species, the limited entry commercial trip limit did not vary with the type of gear used. However, because of the drastic reductions in harvest limits for many species which were necessary in 2000, and the multispecies characteristic of the fishery, the existing routine management measures did not produce sufficient and appropriately targeted harvest reductions. Therefore, at its November 1999 meeting, the Pacific Fishery Management Council (Council) recommended that NMFS implement an emergency rule for 2000 that would address these concerns. At the time,