



Impact of the Balanced Budget Act of 1997 and the Balanced Budget Refinement Act of 1999 on Rural Hospitals

Office of Rural Health Policy
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Report Prepared by The Lewin Group

Falls Church, Virginia • San Francisco, California • Boston, Massachusetts
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Table of Contents

Section I: Presentation of Findings

Section II: Detailed Results for Rural Hospitals with Costs Increasing at Market Basket Minus One Percentage Point (MB-1)

Section III: Detailed Results for Rural Hospitals with Costs Increasing at Market Basket (MB)

Section IV: Summary Results for Urban Hospitals with Costs Increasing at Market Basket Minus One Percentage Point (MB-1)

Section V: Detailed Results for All Hospitals with Costs Increasing at Market Basket Minus One Percentage Point (MB-1)

Section VI: Detailed Results for All Hospitals with Costs Increasing at Market Basket (MB)

Section I:

Presentation of Findings

Purpose

The Lewin Group has prepared two reports for the American Hospital Association that show the impact of the Balanced Budget Act of 1997 on America's hospitals and health systems. Our second report also modeled the impact of the Medicare Balanced Budget Refinement Act of 1999.

The purpose of this study for the Office of Rural Health Policy is to extend our analyses to highlight the impact of the BBA and BBRA on rural hospitals.

Summary of Key Findings: Medicare Payments

Total Medicare Hospital Payment Reductions Under the BBA and BBRA

	All Hospital Aggregate Impact: 1998 - 2004 ^{a/}		Rural Hospital Aggregate Impact: 1998 - 2004 ^{a/}	
	Dollars (in billions)	Percent ^{b/}	Dollars (in billions)	Percent ^{b/}
BBA Impact	-\$118.9	-11.7%	-\$16.7	-10.7%
BBRA Relief Impact	\$8.4	--	\$1.8	--
Remaining BBA Impact After BBRA	-\$110.5	-10.9%	-\$14.9	-9.6%

a/ 1998 to 2004 represents the entire BBA/BBRA timeframe.

b/ BBA and BBRA impacts are calculated as percentages of pre-BBA projected Medicare expenditures.

Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

Summary of Key Findings: Medicare Payments

- ➡ The BBA reduced total Medicare payments to hospitals by \$118.9 billion (11.7%) from 1998 to 2004. The BBRA is projected to restore approximately \$8.4 billion of BBA reductions between FYs 2000 and 2004. However, BBA reductions to all hospitals, even after BBRA relief, are still \$110.5 billion, or 10.9%, from 1998 to 2004.
- ➡ The BBA reduced Medicare payments to *rural* hospitals by \$10.7 billion (9.9%) from 1998 to 2002 with additional reductions of \$4.0 billion through 2004. Projecting the BBA impact across seven years results in a total BBA reduction of \$16.6 billion (10.7%) from 1998 to 2004.
- ➡ The BBRA is projected to restore approximately \$1.8 billion to rural hospitals between FYs 2000 and 2004. This represents 13.0% of the \$13.8 billion in payment reductions that would have occurred over this period.
- ➡ BBA reductions to rural hospitals, even after BBRA relief, are still \$15.0 billion, or 9.6%, from 1998 to 2004.

Summary of Key Findings: Medicare Margins

Projected Aggregate Total Medicare Margins under the BBA and BBRA

		All Hospitals		Rural Hospitals	
		2000	2004	2000	2004
Costs Growing at MB-1^{a/}	BBA	-2.2%	-2.6%	-4.6%	-4.8%
	BBRA	-1.5%	-1.6%	-4.2%	-3.3%
Costs Growing at MB^{a/}	BBA	-3.9%	-7.7%	-6.3%	-10.0%
	BBRA	-3.2%	-6.6%	-5.9%	-8.4%

a/ The market basket inflation rate is the rate of increase in the prices of goods and services purchased by hospitals. Throughout this report the following acronyms will be used:

MB-1 = rate of increase in the prices of goods and services purchased by hospitals less one percentage point

MB = rate of increase in the prices of goods and services purchased by hospitals

Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

Summary of Key Findings: Medicare Margins

- ➡ BBA payment reductions would have reduced total Medicare margins for all hospitals to a *negative* 2.2% by 2000, assuming costs grow at the market basket rate minus one percentage point (about 2 percent each year). Margins would have increased to *negative* 2.6% by 2004. If costs grow at the market basket rate (about 3 percent each year), margins would have fallen to *negative* 3.9% in 2000 and to *negative* 7.7% in 2004.
- ➡ The BBRA raises total Medicare margins by approximately 0.7 percentage points in 2000 and by about 1.5 percentage points in 2004 under both cost growth assumptions.
- ➡ Aggregate total Medicare margins for rural hospitals are about two percentage points lower on average than national aggregate Medicare margins.

Methodology

Note: A detailed Methodology is included in The Lewin Group's Original Report to the AHA entitled, "The Impact of the Medicare Balanced Budget Refinement Act on Medicare Payments to Hospitals" February 2000

This Study Examined BBA and BBRA Medicare Payment Impacts in Total and in Four Major Hospital Services

- ➔ Our hospital-specific analysis measures the impact on Medicare payments in total and on the following hospital services:
 - ❑ Inpatient acute care services, including operating PPS, inpatient capital, and inpatient bad debt;
 - ❑ Outpatient hospital services, including outpatient bad debt;
 - ❑ Home health services; and
 - ❑ PPS-exempt services, including inpatient rehabilitation, psychiatric, long-term care, children's and cancer services.

- ➔ Data limitations prevented us from assessing the impact of the BBA and BBRA on payments for hospital-based skilled nursing care, direct medical education and other services (such as laboratory and outpatient rehabilitation services).

- ➔ With the exception of home health services, our methodologies use static models and do not incorporate volume, case mix, or behavioral changes.

Basic Methodology

➡ We first used 1997 Medicare cost report data—the most recent data available at the time—to estimate revenues, costs, and margins for the four major hospital services from 1998 to 2004. The resulting impact was then incorporated into an analysis of total Medicare payments and costs based on the 1999 AHA annual survey. This “crosswalk” of Medicare cost report findings to AHA annual survey data allows us to estimate *total* Medicare payments, costs, and margins into the future under the BBA and BBRA. This step allowed us to impute hospital payment reductions to hospital services not explicitly included in our Medicare cost report simulations.

➡ Our methodology assumes that payments and costs for “all other” services change at the weighted average rate for the four simulated services. It also reflects the full cost of Medicare services under Generally Accepted Accounting Principles (GAAP). Medicare cost reports do not because they disallow some costs to reflect Medicare cost reimbursement policies.

➡ Our analysis projects hospital costs based upon two different assumptions: Medicare costs per case increasing at the market basket (MB) rate of inflation and at market basket minus one percentage point (MB-1) beginning in 1999. The market basket inflation rate is the rate of increase in the prices of goods and services purchased by hospitals. Throughout this report the following acronyms will be used:

MB = rate of increase in the prices of goods and services purchased by hospitals

MB-1 = rate of increase in the prices of goods and services purchased by hospitals less one percentage point

Three Medicare Payment Methods Were Modeled

Pre-BBA → Projects Medicare payments and costs under the law and regulations that were in place prior to the BBA legislation.

Post-BBA → Projects Medicare payments and costs through FY 2004 under the provisions included in the BBA.

Post-BBRA → Projects Medicare payments and costs under the BBA as modified by provisions in the BBRA.

BBA and BBRA Provisions Modeled

Provision	BBA/BBRA
PPS Update (including special sole community hospital provision for FY 2000)	✓
Disproportionate Share (DSH)	✓
Indirect Medical Education (IME)	✓
Transfers	✓
Outliers	✓
Capital	✓
Critical Access Hospitals	✓
Bad Debt	✓
Outpatient Formula Driven Overpayments (FDO)	✓
Outpatient PPS	✓
PPS-Exempt Units	✓
PPS-Exempt Hospitals	✓
Hospital-Based Home Health Agencies	✓

All other hospital services (direct graduate medical education, skilled nursing care, dialysis, outpatient rehabilitation, lab, durable medical equipment, oxygen, ambulance, some managed care, and non-covered services and costs): BBA and BBRA impact assumed to equal average change estimated from the cost report simulations.

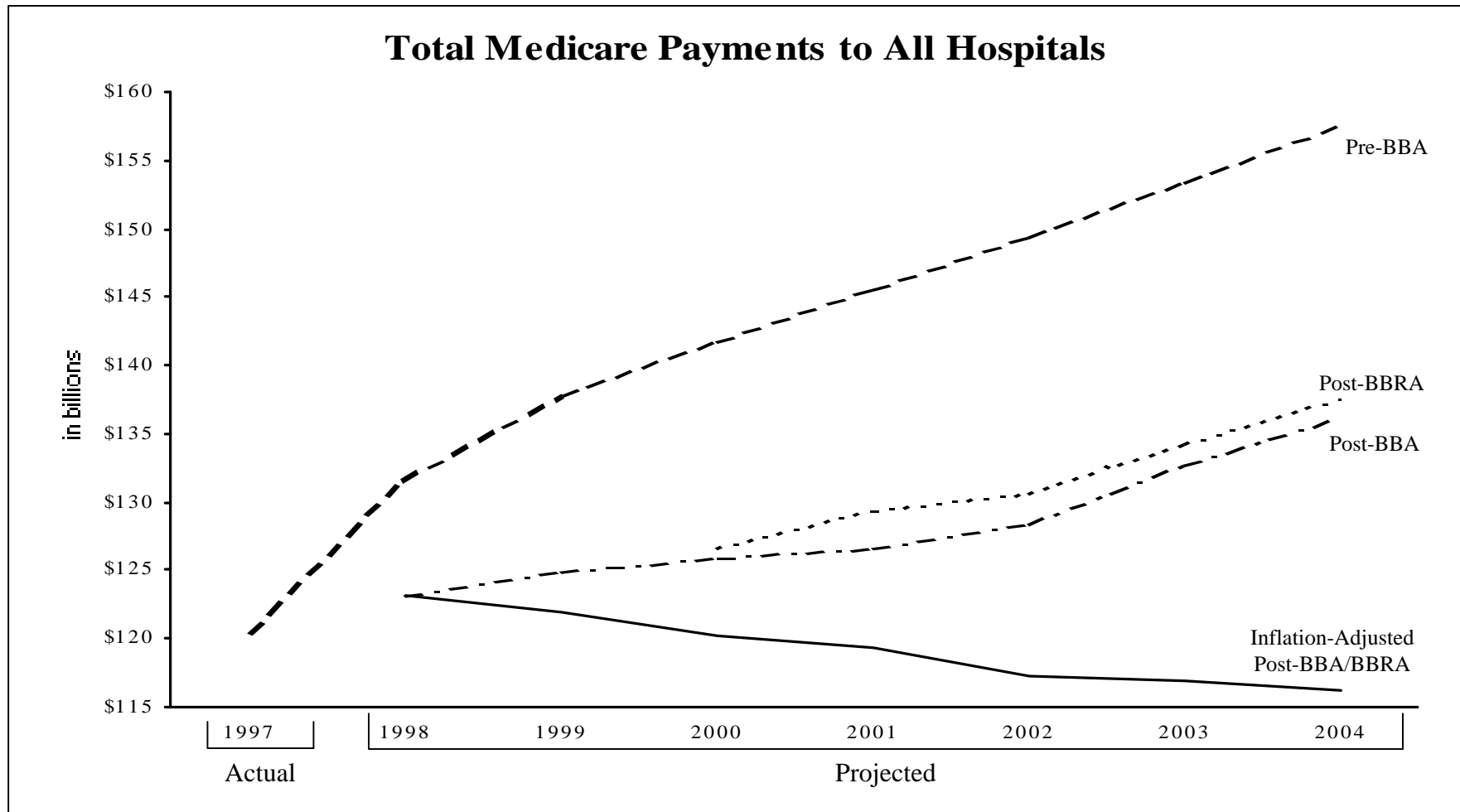
Rural Hospital Modifications for the Purposes of This Report

- ➡ “Total” Medicare margin analysis by type of rural hospital is tailored specifically to rural hospitals and not the nation. Thus, results from this study for rural hospitals may differ slightly from our previous findings on rural hospitals.
- ➡ Additional refinements were made to Inpatient-PPS services to account for Critical Access Hospitals.

	Count	Pre-BBA Payments: 1998-2004 (in billions)	% Critical Access	% Medicare Dependent	% Sole Community
All Hospitals	5,574	\$1,017.2	--	--	--
Rural Hospitals	2,257	\$156.2	2.4%	15.8%	31.2%

Total Hospital Medicare Payments and Margins

After the BBRA, Medicare Payments to All Hospitals Would Be Reduced by More than \$110 Billion from 1998 to 2004

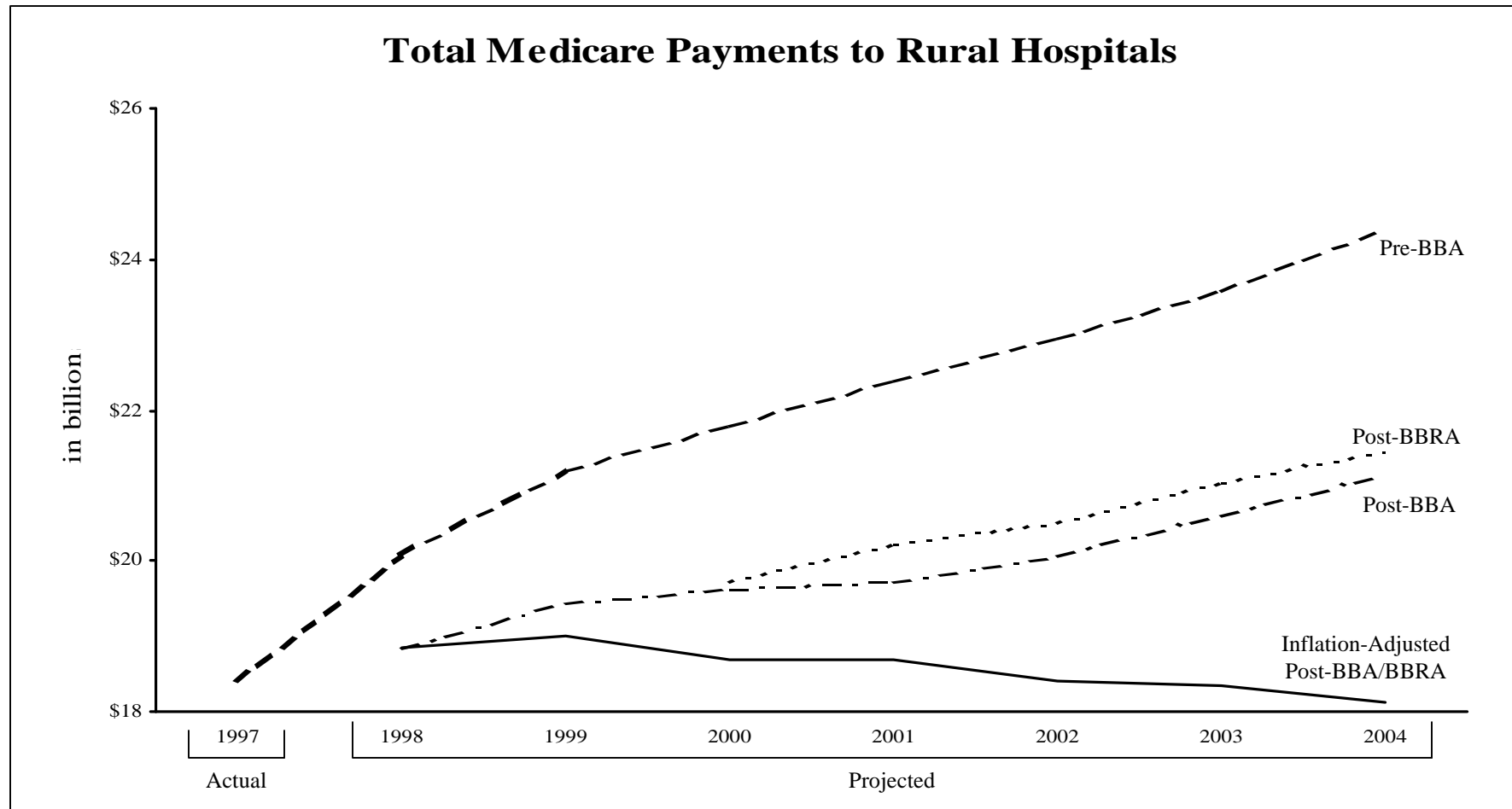


Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

After the BBRA, Medicare Payments to All Hospitals Would Be Reduced by More than \$110 Billion from 1998 to 2004

- ➡ Total Medicare payment reductions to all hospitals were projected to grow from \$8.3 billion in 1998 to \$21.4 billion in 2004 under the BBA, a cumulative impact of \$118.9 billion.
- ➡ With BBA relief of \$8.4 billion, the cumulative impact decreases to \$110.5 billion from 1998 to 2004.
- ➡ Post-BBRA payments are actually decreasing in inflation-adjust dollars.

After the BBRA, Medicare Payments to Rural Hospitals Would Be Reduced by \$15 Billion from 1998 to 2004

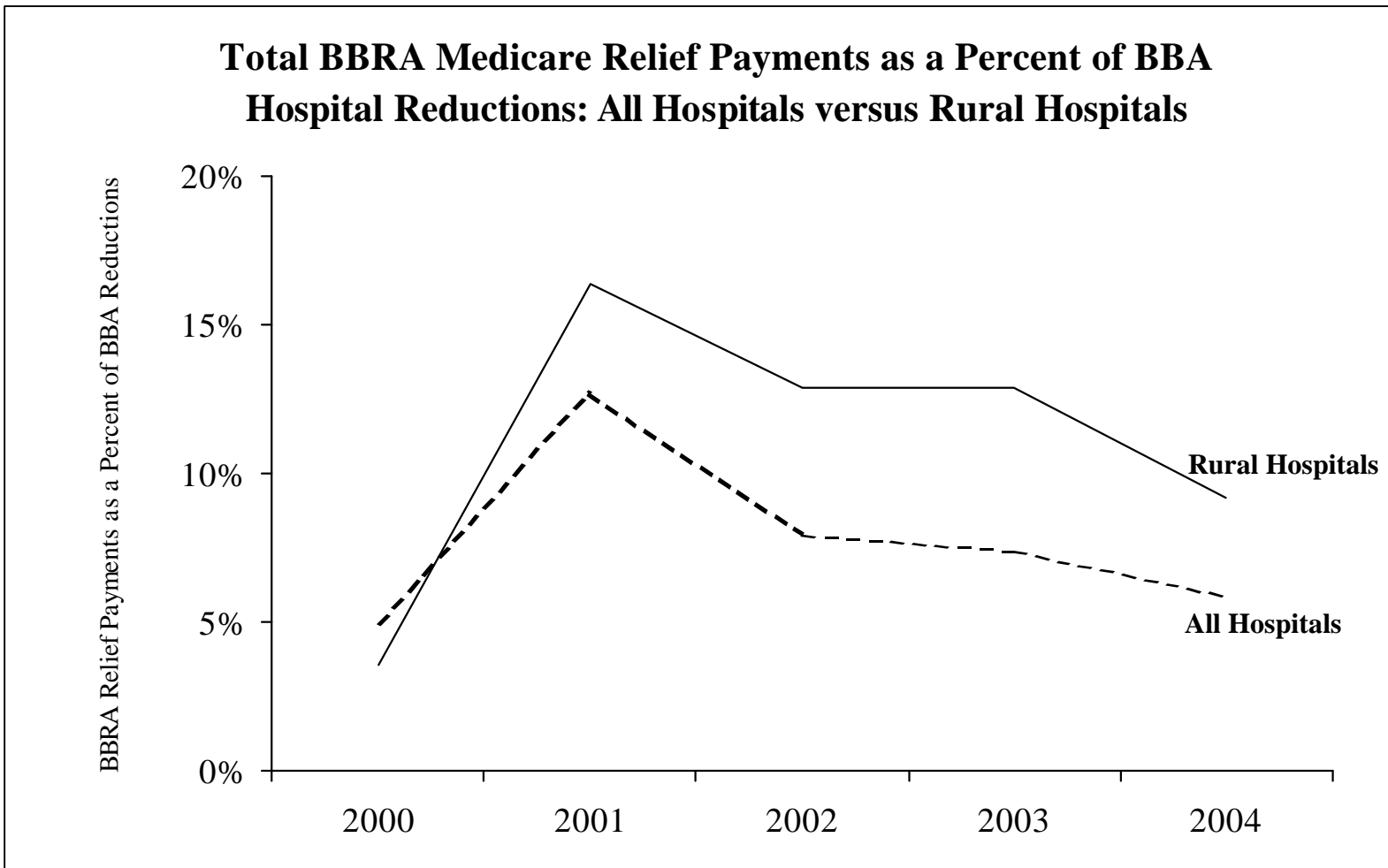


Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

After the BBRA, Medicare Payments to Rural Hospitals Would Be Reduced by \$15 Billion from 1998 to 2004

- ➡ Total Medicare payment reductions to rural hospitals were projected to grow from \$1.2 billion in 1998 to \$3.0 billion in 2004 under the BBA, a cumulative impact of \$16.7 billion.
- ➡ With BBA relief of \$1.8 billion, the cumulative impact decreases to \$15.0 billion from 1998 to 2004.

The BBRA Restores 10.7% of Projected BBA Medicare Payment Reductions to Rural Hospitals from 2000 to 2004



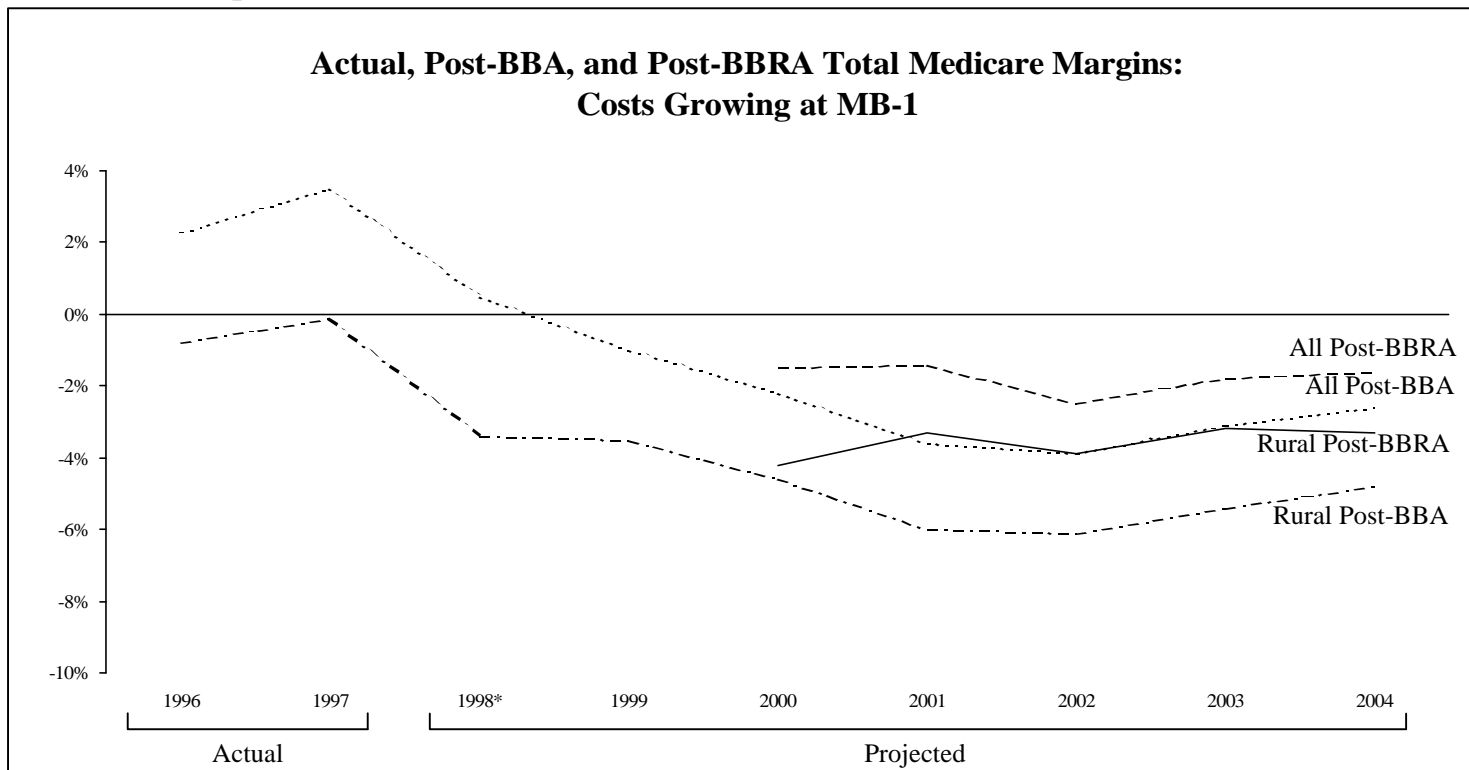
Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

The BBRA Restores 10.7% of Projected BBA Medicare Payment Reductions to Rural Hospitals from 2000 to 2004

- ➡ In percentage terms, the BBRA restored more Medicare payment reductions to rural hospitals.
- ➡ The impact of BBRA relief payments will not make a significant impact until 2001, and tapers down through 2004.

If Medicare Costs Grow at Market Basket Minus One Percentage Point, Rural Margins Would Reach Negative 3.3% After the BBRA in 2004

- ➔ Payment reductions for all Medicare services were projected to grow from \$8.3 billion in 1998 to \$21.4 billion in 2004 under the BBA, a cumulative impact of \$118.9 billion. BBRA reduced the impact to \$110.5 billion.
- ➔ Total Medicare margins for Rural hospitals are projected to be almost two percentage points lower than the estimates for all hospitals.

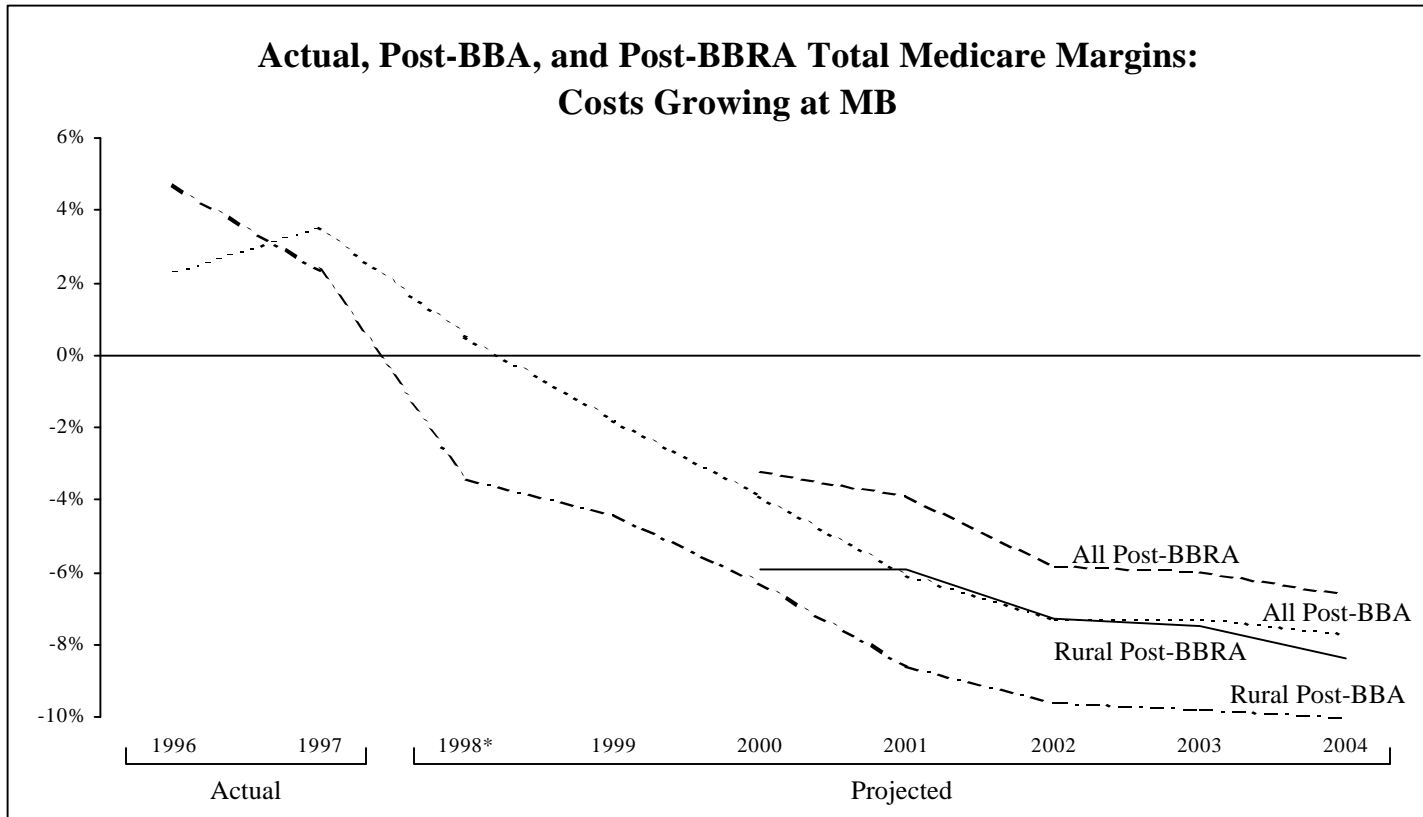


* The 1999 AHA annual survey provides actual 1998 data. However, 1998 AHA data reflect Medicare payments made under payment policies before and after implementation of the BBA. Post-BBA margins reflect the actual costs reported in the 1999 AHA annual survey and post-BBA payments are simulated based on hospitals that reported payments that were fully subject to BBA policies.

Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

If Medicare Costs Grow at Market Basket, Rural Margins Would Reach Negative 8.4% After the BBRA in 2004

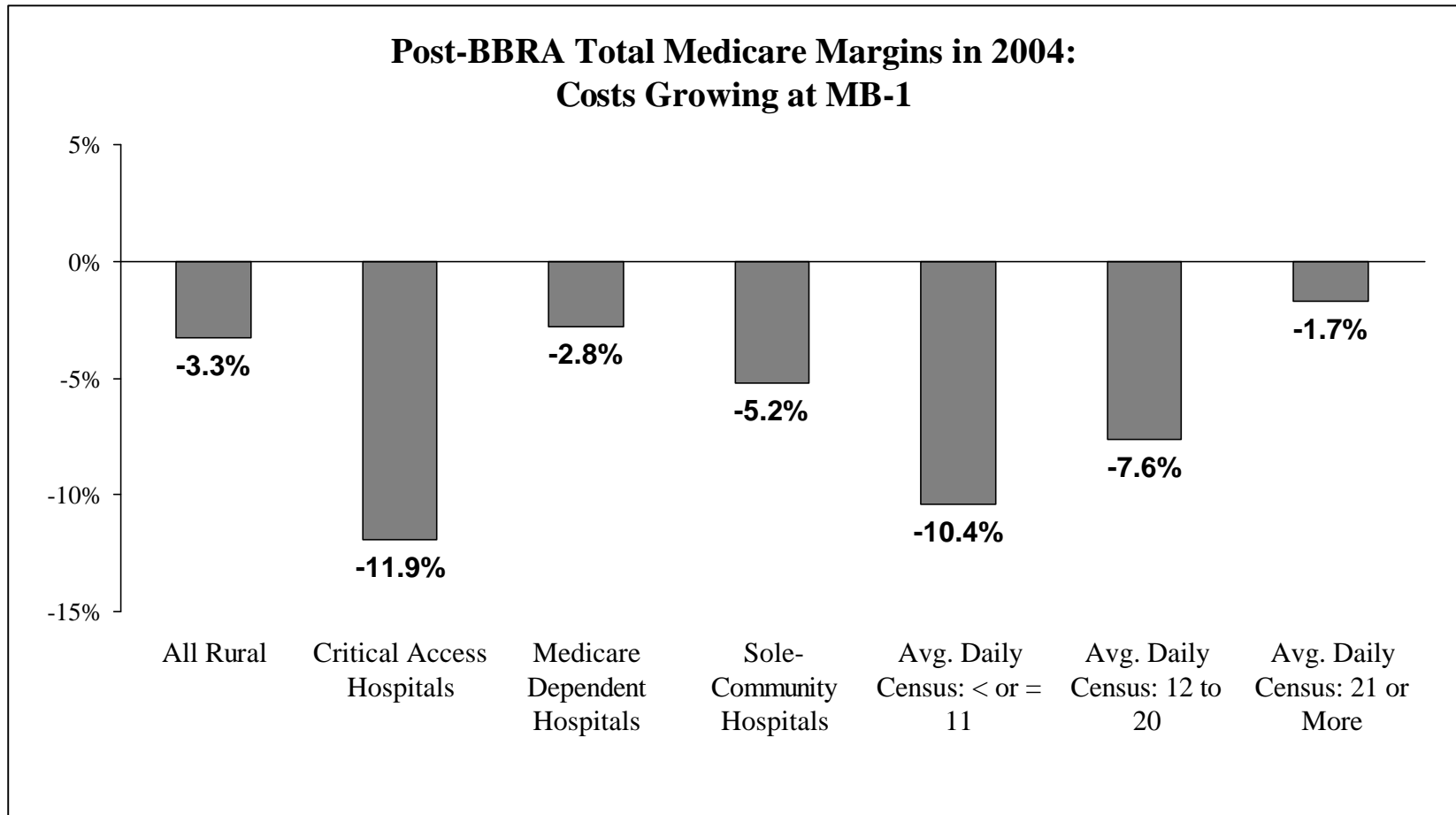
➡ The aggregate Medicare margin for Rural hospitals after the BBRA is still lower than the aggregate margin for all hospitals under the BBA.



* The 1999 AHA annual survey provides actual 1998 data. However, 1998 AHA data reflect Medicare payments made under payment policies before and after implementation of the BBA. Post-BBA margins reflect the actual costs reported in the 1999 AHA annual survey and post-BBA payments are simulated based on hospitals that reported payments that were fully subject to BBA policies.

Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

Total Medicare Margins for All Types of Rural Hospitals in Analysis are Still Negative After BBRA

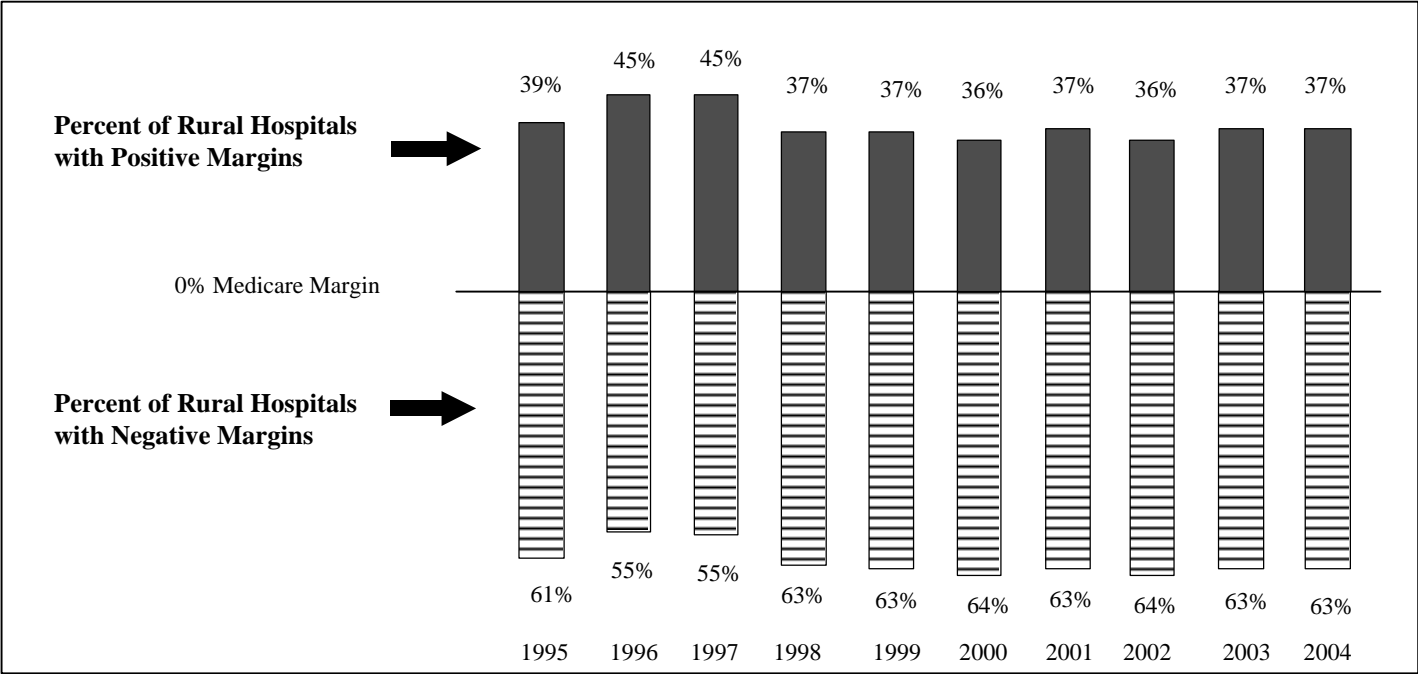


Source: The Lewin Group analysis of Medicare Cost Report and AHA Annual Survey data.

Note: Although Critical Access Hospitals receive cost reimbursement for inpatient and outpatient services, other Medicare services create losses for these hospitals.

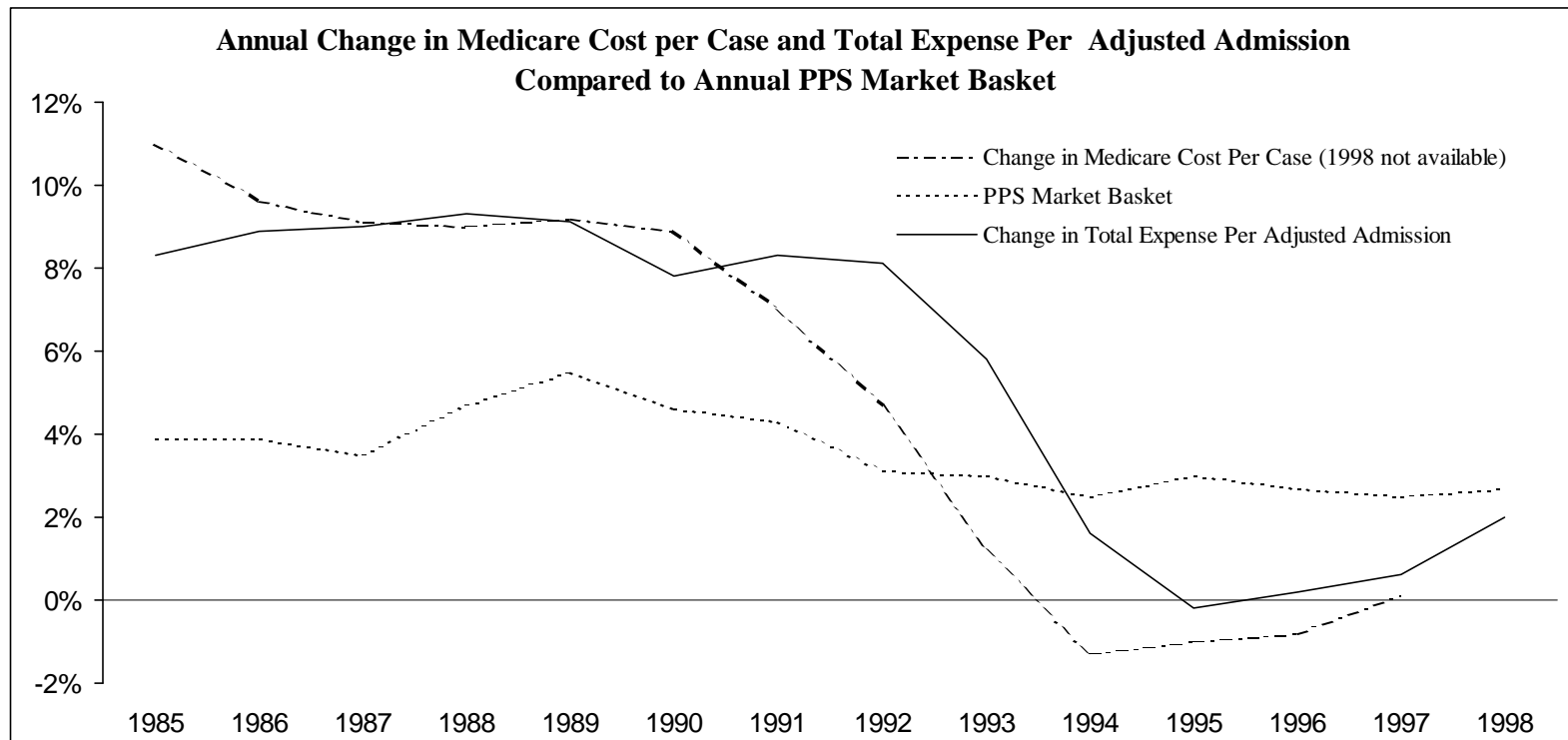
Nearly Two-Thirds of Rural Hospitals Will Have Negative Margins by 2004

➡ With costs increasing at **market basket minus one percentage point**, 63% of rural hospitals would have negative total Medicare margins by 2004. If costs increase at the **market basket rate**, 68% of rural hospitals would have negative total Medicare margins by 2004.

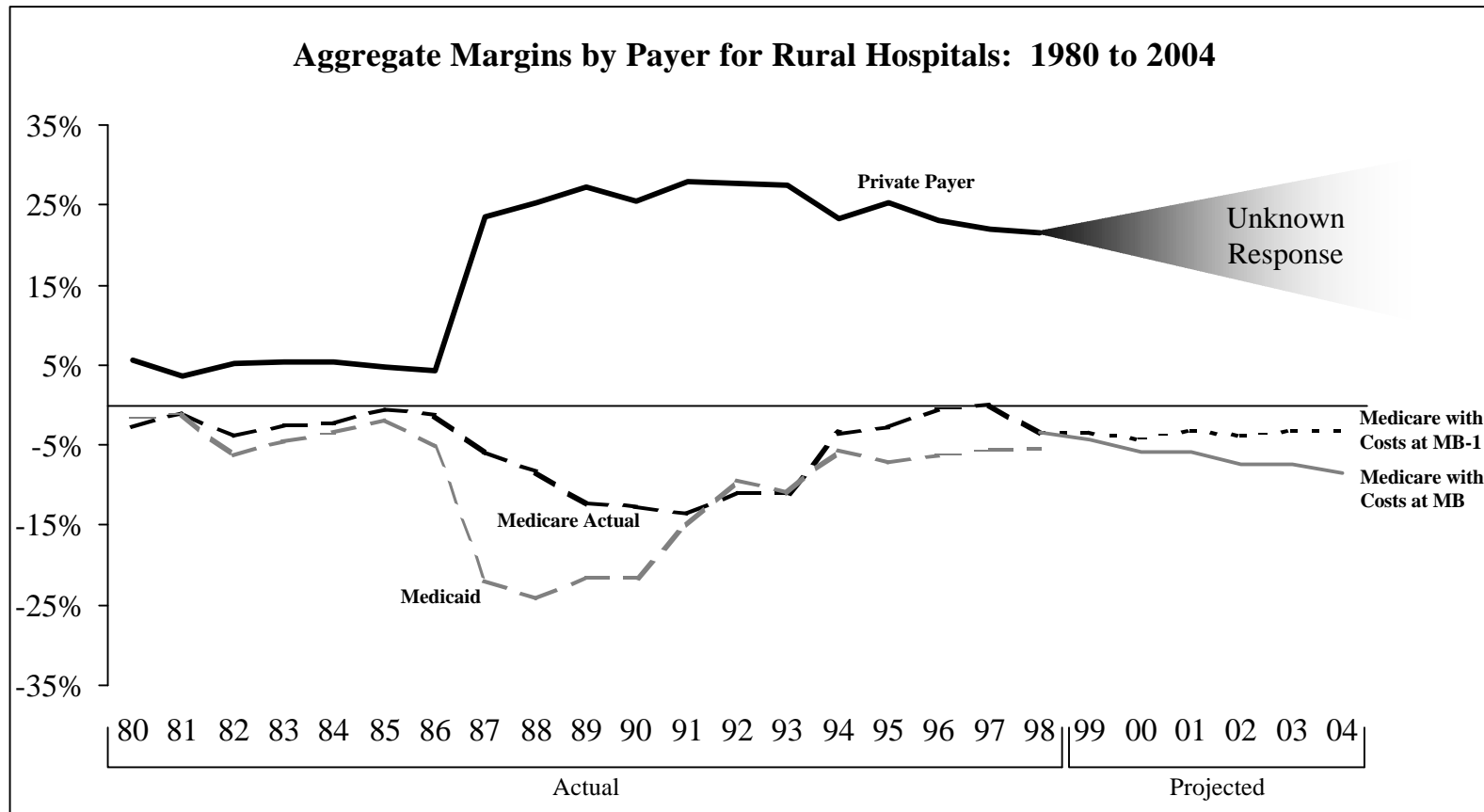


The Future of Hospital Costs is Uncertain

- ➡ Many have questioned the hospital field's ability to keep cost increases below the rate of increase in the hospital market basket for an extended period of time. Historical data, as shown below, suggest that such low rates of increase are not sustainable. In fact, total expense per adjusted admission increased by 2% from 1997 to 1998, approaching the market basket rate of increase.



Will Private Payers Continue to Cross-Subsidize Medicare Payment Reductions?



Note: Uncompensated Care and Other Government Payers have been excluded in this chart.

Source: The Lewin Group analysis of American Hospital Association Annual Survey data, 1980 - 1998 for community hospitals.

Medicare Payments and Margins for Hospitals by Type of Service

Aggregate Impact of the BBA and BBRA by Type of Service for Rural Hospitals

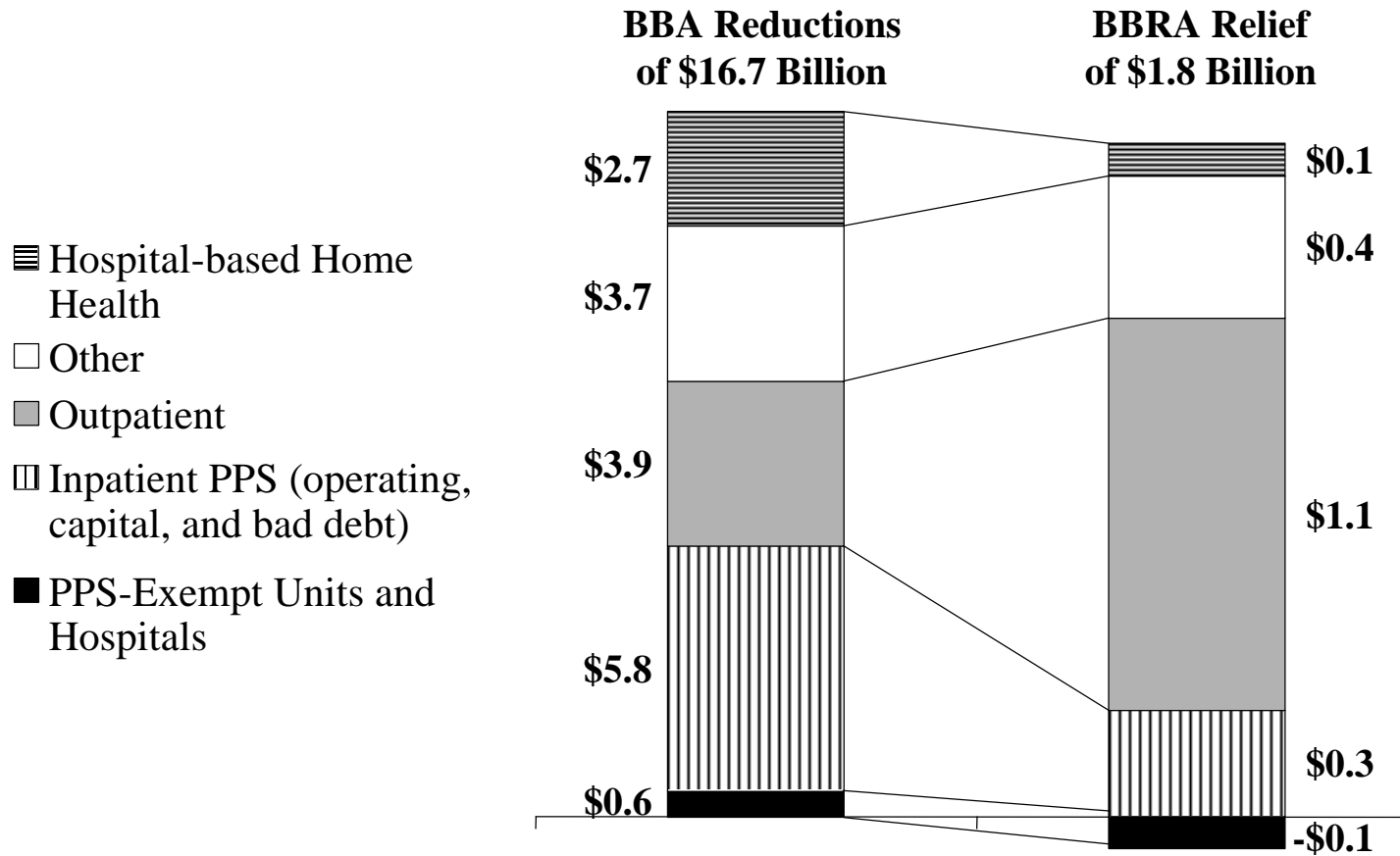
	Remaining BBA Impact after BBRA: 1998-2004 (billions)	Remaining BBA Impact after BBRA: 1998-2004 (percent)	Total BBRA Relief Payments (billions)	2004 Projected Post-BBRA Margin Range Depending on Cost Growth MB-1 ↔ MB
Total Medicare for Rural Hospitals	\$14.9	-9.6%	\$1.8	-3.3% ↔ -8.4%
By Major Service Area				
Inpatient PPS (operating, capital, and bad debt)	\$5.6	-6.7%	\$0.3	8.8% ↔ 3.8%
Outpatient	\$2.8	-12.1%	\$1.1	-20.2% ↔ -28.6%
Hospital-based Home Health	\$2.6	-28.4%	\$0.1	-8.2% ↔ -8.2%
PPS-Exempt Units and Hospitals	\$0.6	-10.1%	(\$0.1)	-10.2% ↔ -12.6%

Note: The total Medicare impact includes all Medicare services based on analysis of data from the AHA Annual Survey. The sum of the four major services shown above will not equal the total because of other services that are included in the total.

Aggregate Impact of the BBA and BBRA by Type of Service for Rural Hospitals

- ➡ The BBA had the largest dollar impact on inpatient services, reducing inpatient payments to rural hospitals by \$5.6 billion.
- ➡ The BBA had the largest percent impact on hospital based home health payments, reducing HH payments to rural hospitals by 28.4%.
- ➡ Although the majority of BBRA relief was for outpatient services, Medicare outpatient margins are still projected to be, at best, negative 20% for rural hospitals.

BBA Payment Reductions to Rural Hospitals Were Distributed Differently than BBRA Relief Payments

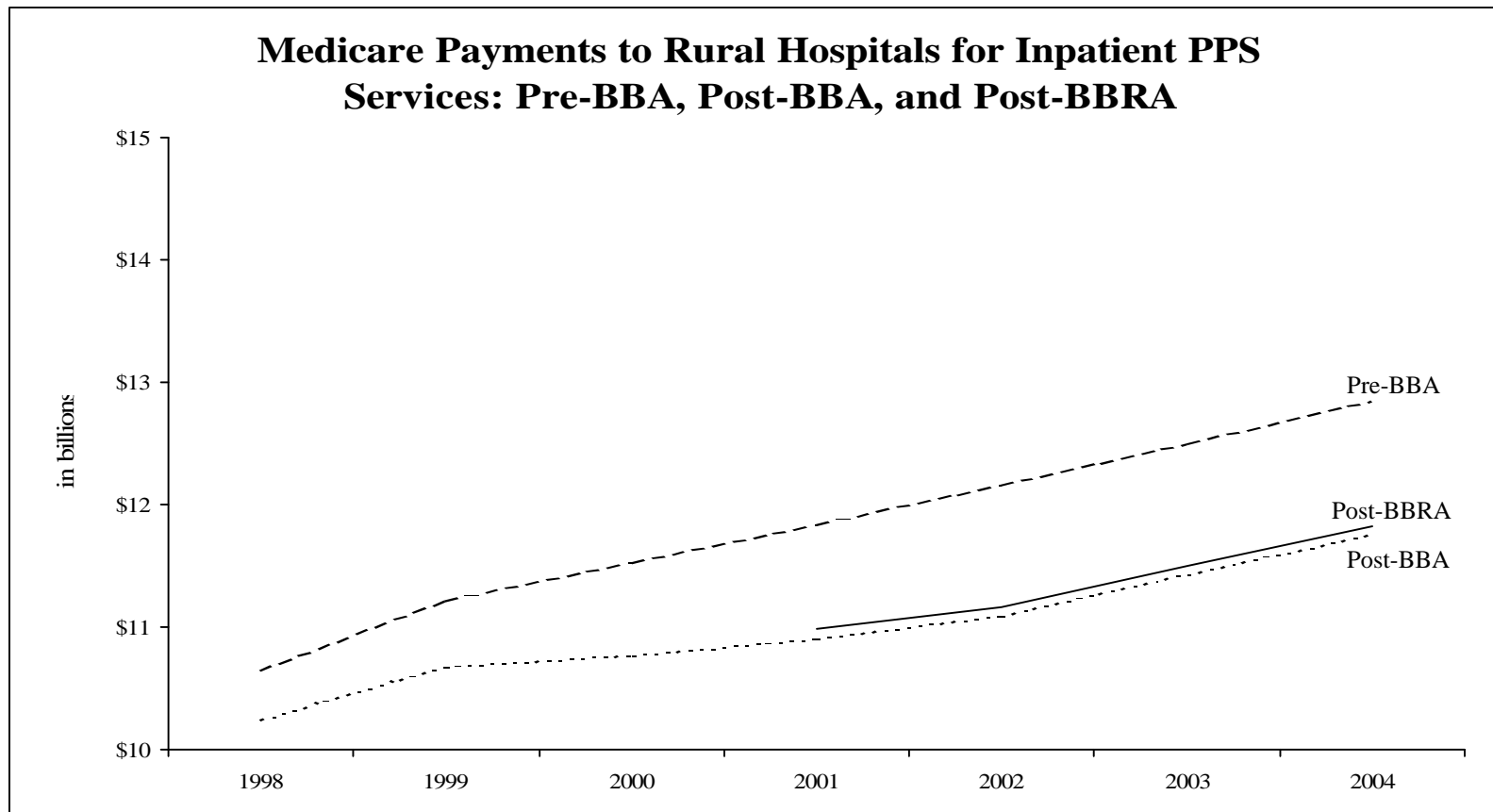


BBA Payment Reductions and BBRA Relief Were Distributed Differently to Rural Hospitals

- ➡ Although the cuts to inpatient were largest, the majority of BBRA relief went to outpatient.
- ➡ The new provisions of the BBRA for PPS-exempt services may actually reduce payments to rural PPS-exempt service providers.

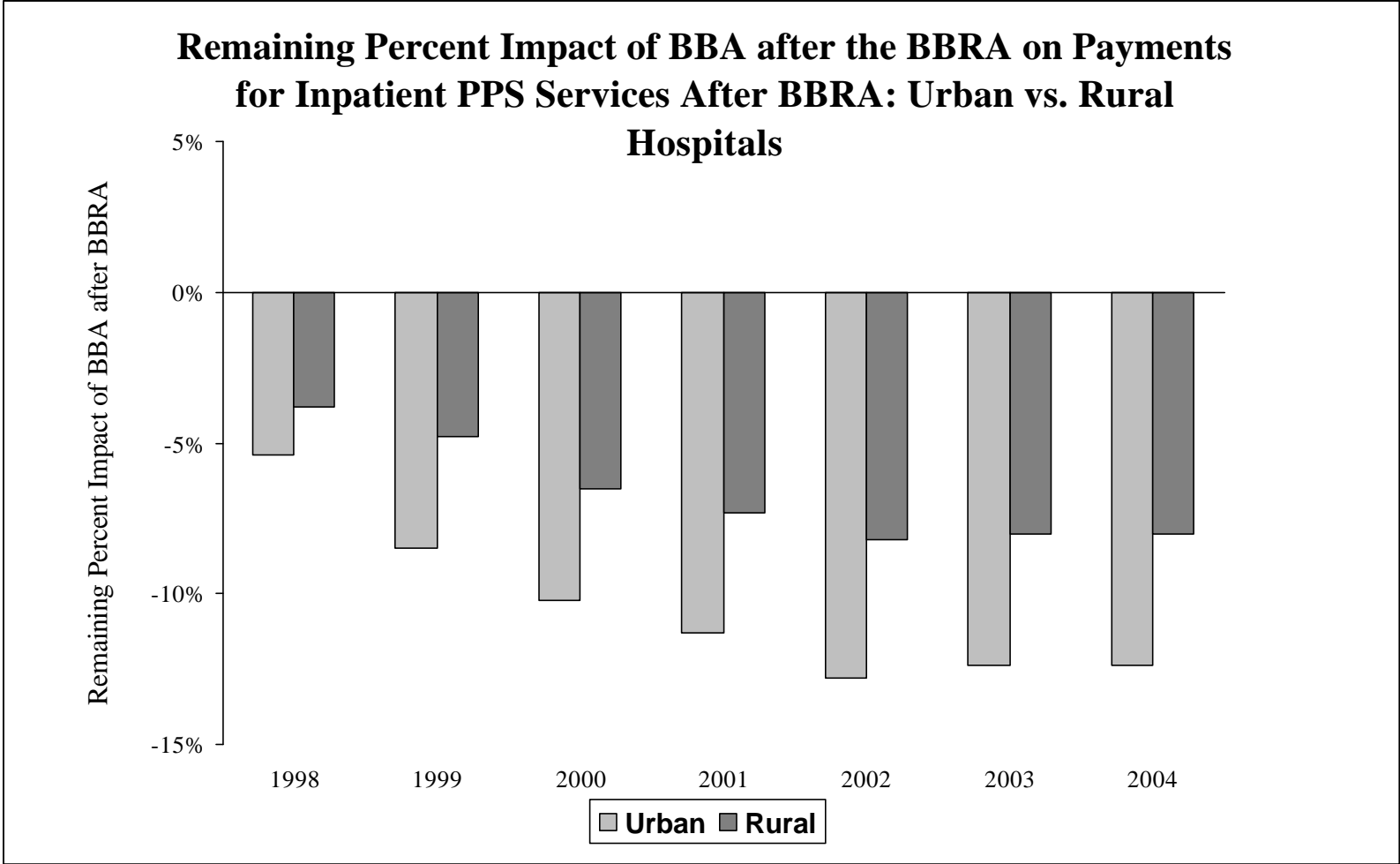
The BBA Reduced Inpatient PPS Payments to Rural Hospitals by \$5.9 Billion from 1998 to 2004

➔ The BBRA restores \$0.3 billion in payments from 2000 to 2004, leaving aggregate payment reductions of \$5.6 billion for inpatient PPS from 1998 to 2004.



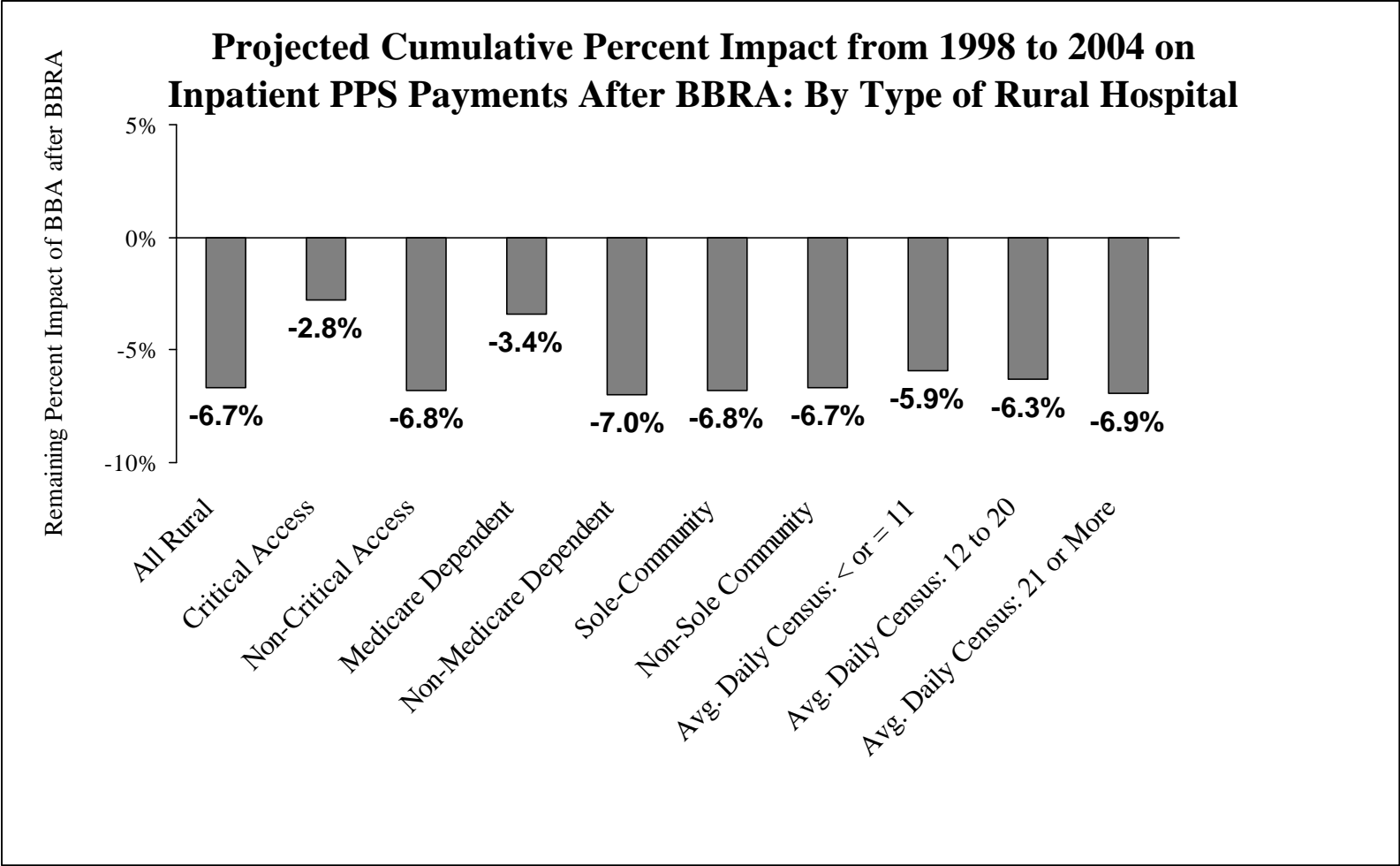
Note: Inpatient PPS includes operating, capital and bad debt payments.
Source: The Lewin Group analysis of 1997 Medicare cost report data.

Inpatient PPS Medicare Payments to Rural Hospitals are Reduced by 6.7% Between 1998 and 2004



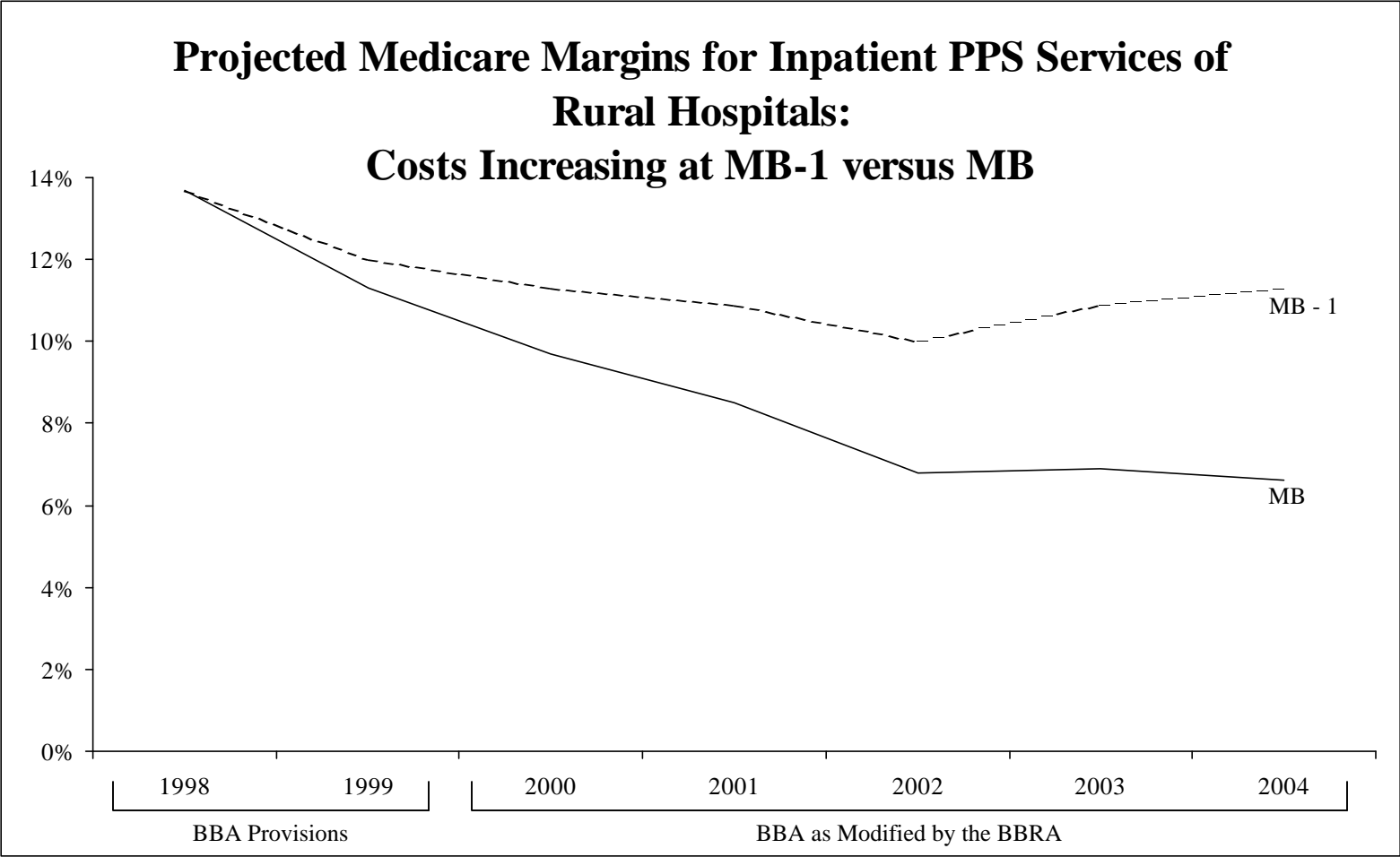
Note: Inpatient PPS includes operating, capital and bad debt payments.
 Source: The Lewin Group analysis of 1997 Medicare cost report data.

Projected Inpatient PPS Medicare Payments to Rural Hospitals are Reduced by 6.7% Between 1998 and 2004



Note: Inpatient PPS includes operating, capital and bad debt payments.
 Source: The Lewin Group analysis of 1997 Medicare cost report data.

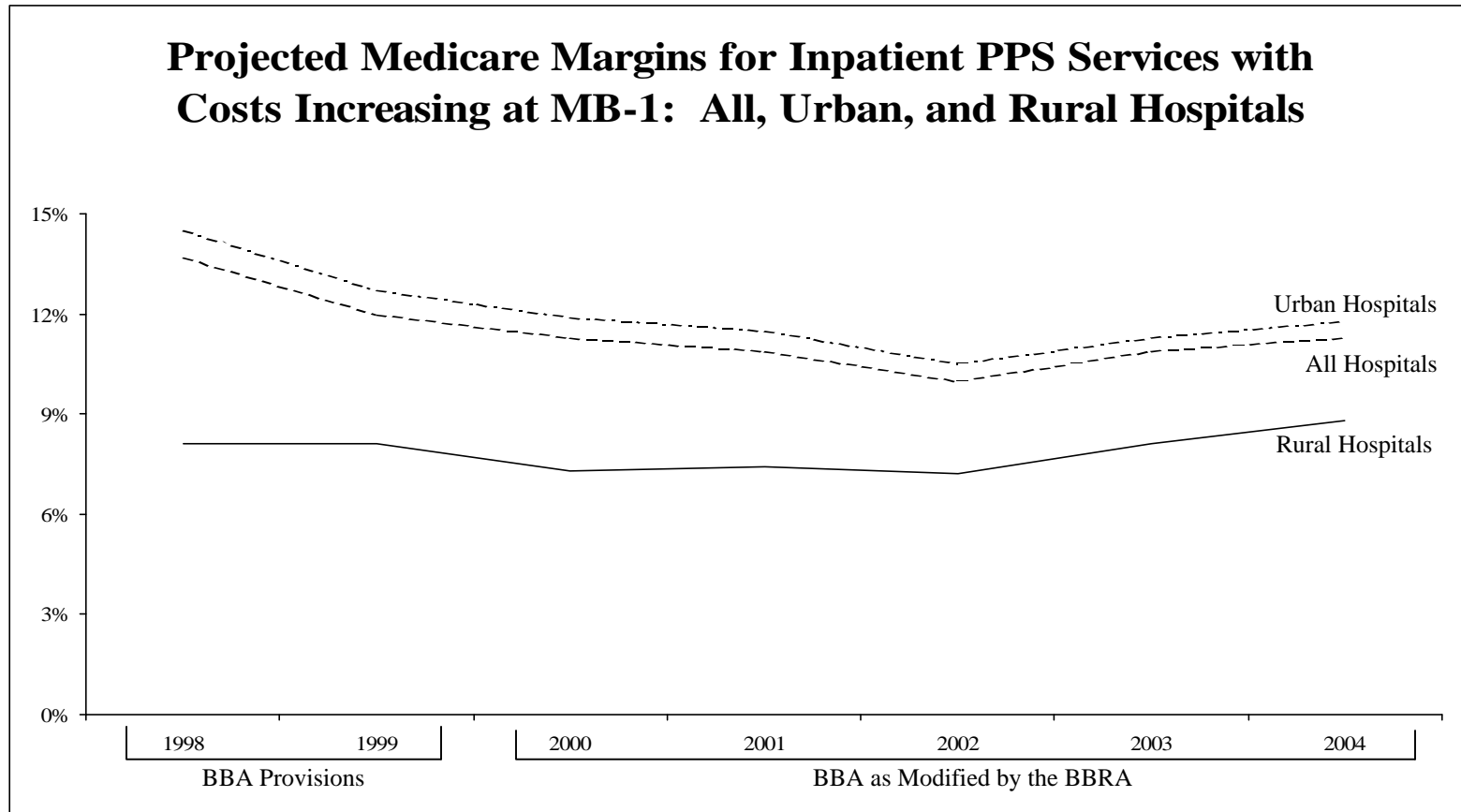
Projected Inpatient PPS Medicare Margins in Rural Hospitals Fall from 1998 to 2004



Note: Inpatient PPS includes operating, capital and bad debt payments and costs.

Source: The Lewin Group analysis of Medicare cost report data.

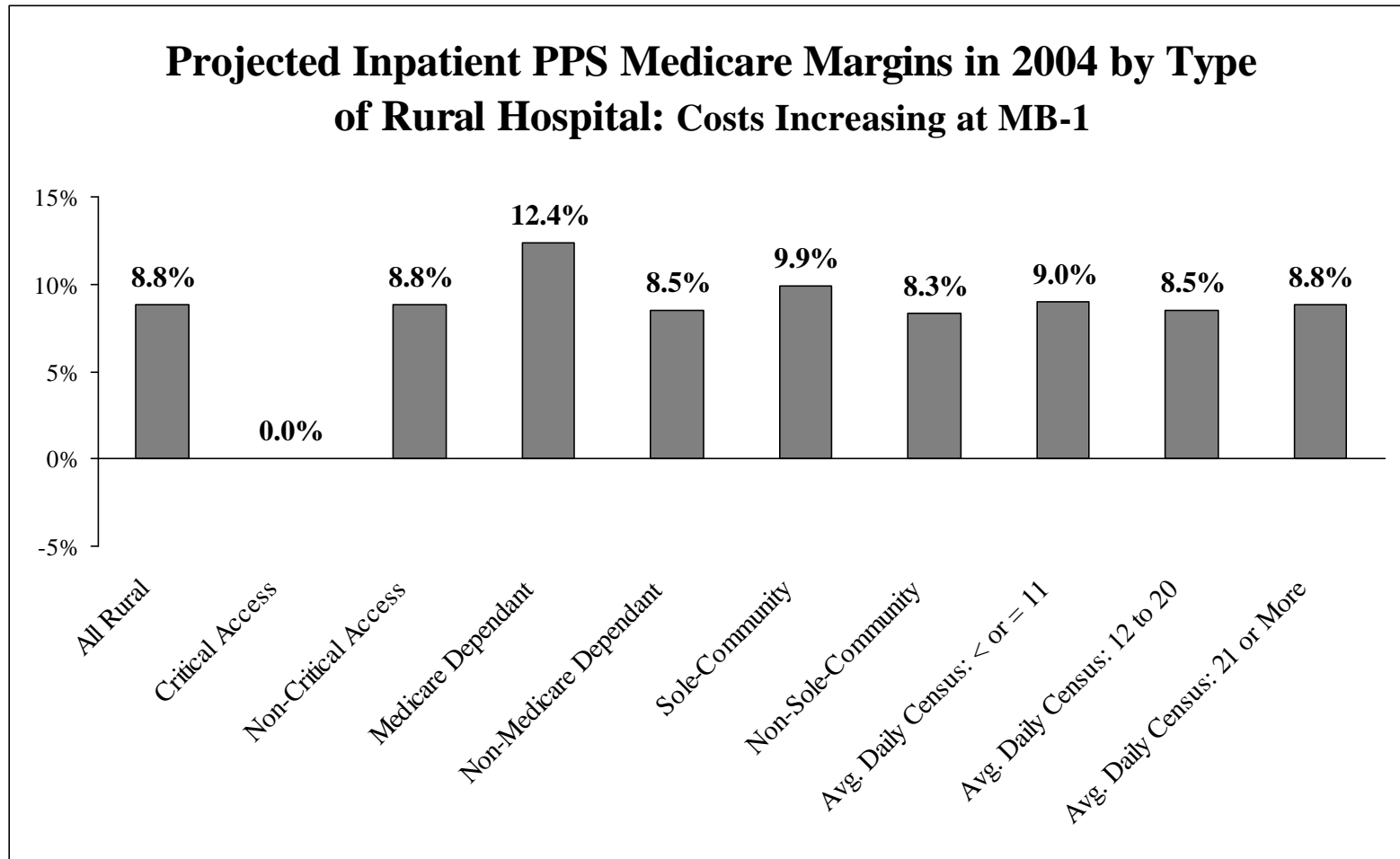
Inpatient PPS Medicare Margins are Lowest for Rural Hospitals with Costs Growing at Market Basket Minus One Percentage Point



Note: Inpatient PPS includes operating, capital and bad debt payments and costs.

Source: The Lewin Group analysis of Medicare cost report data.

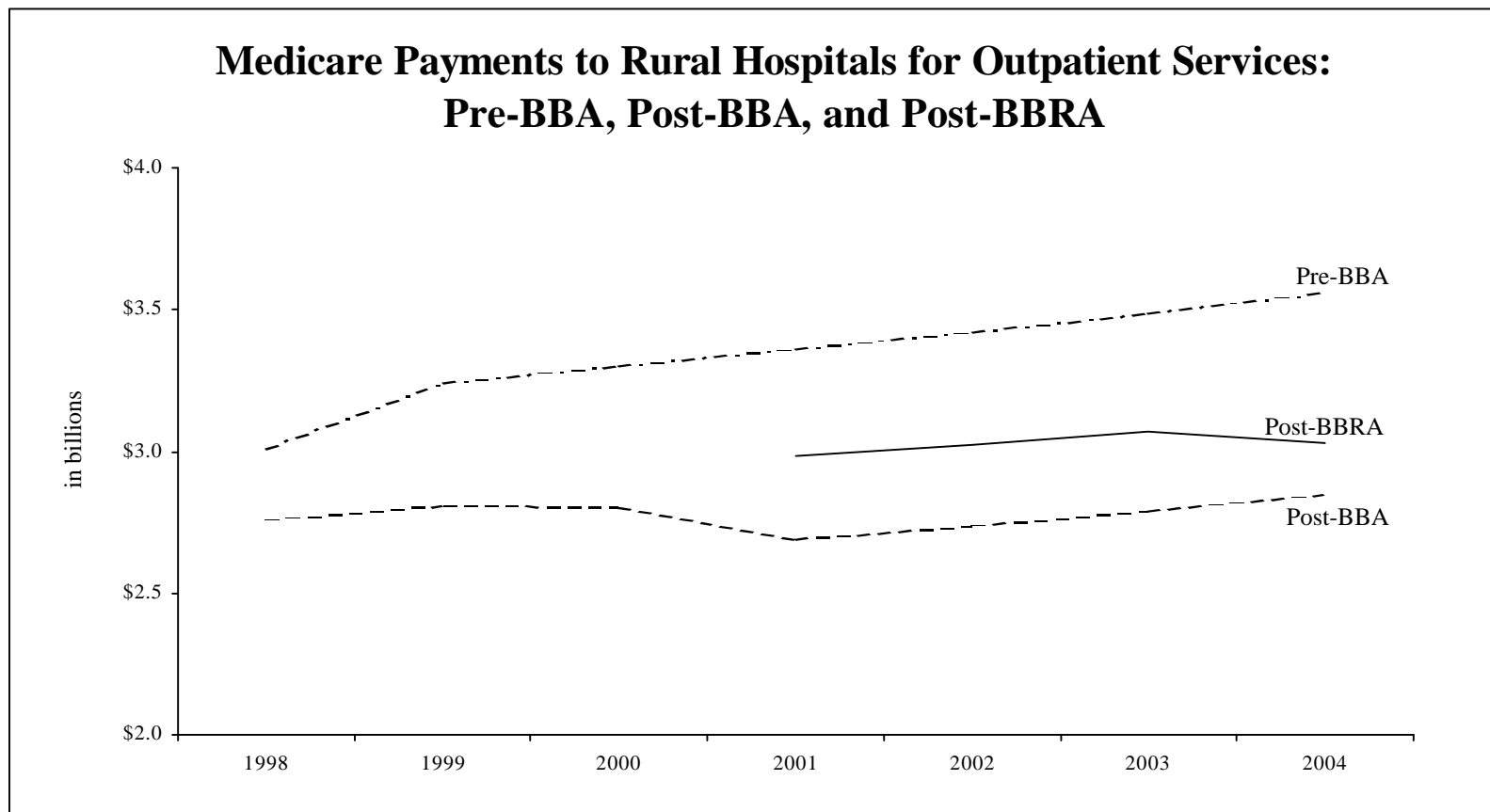
Projected Inpatient PPS Medicare Margins Vary Depending on Type of Rural Hospital



Note: Inpatient PPS includes operating, capital and bad debt payments and costs.
 Source: The Lewin Group analysis of Medicare cost report data.

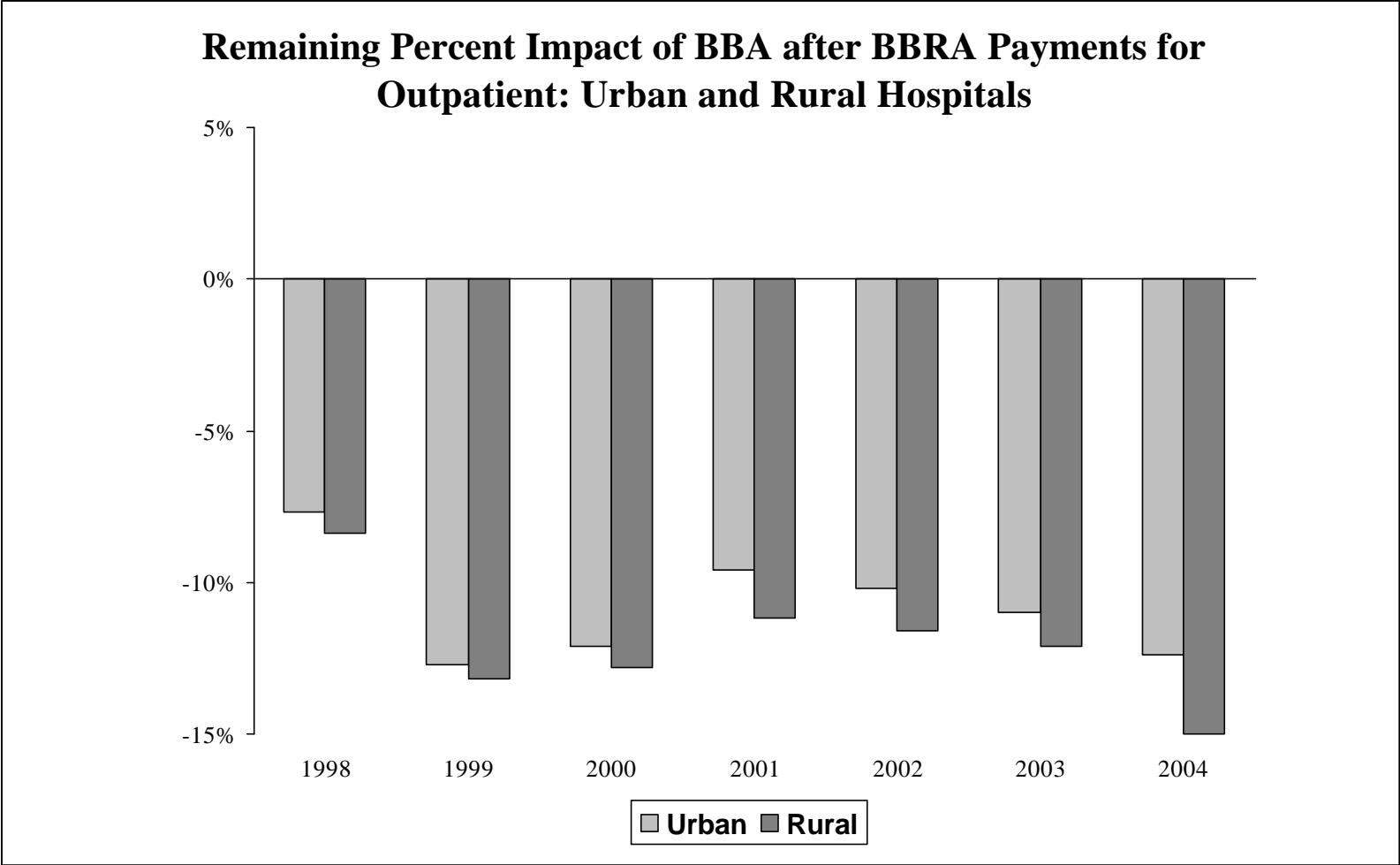
The BBA Reduced Outpatient Payments to Rural Hospitals by \$3.9 Billion From 1998 to 2004

➔ The BBRA restores \$1.1 billion in payments from 2000 to 2004, leaving aggregate payment reductions of \$2.8 billion for outpatient from 1998 to 2004.



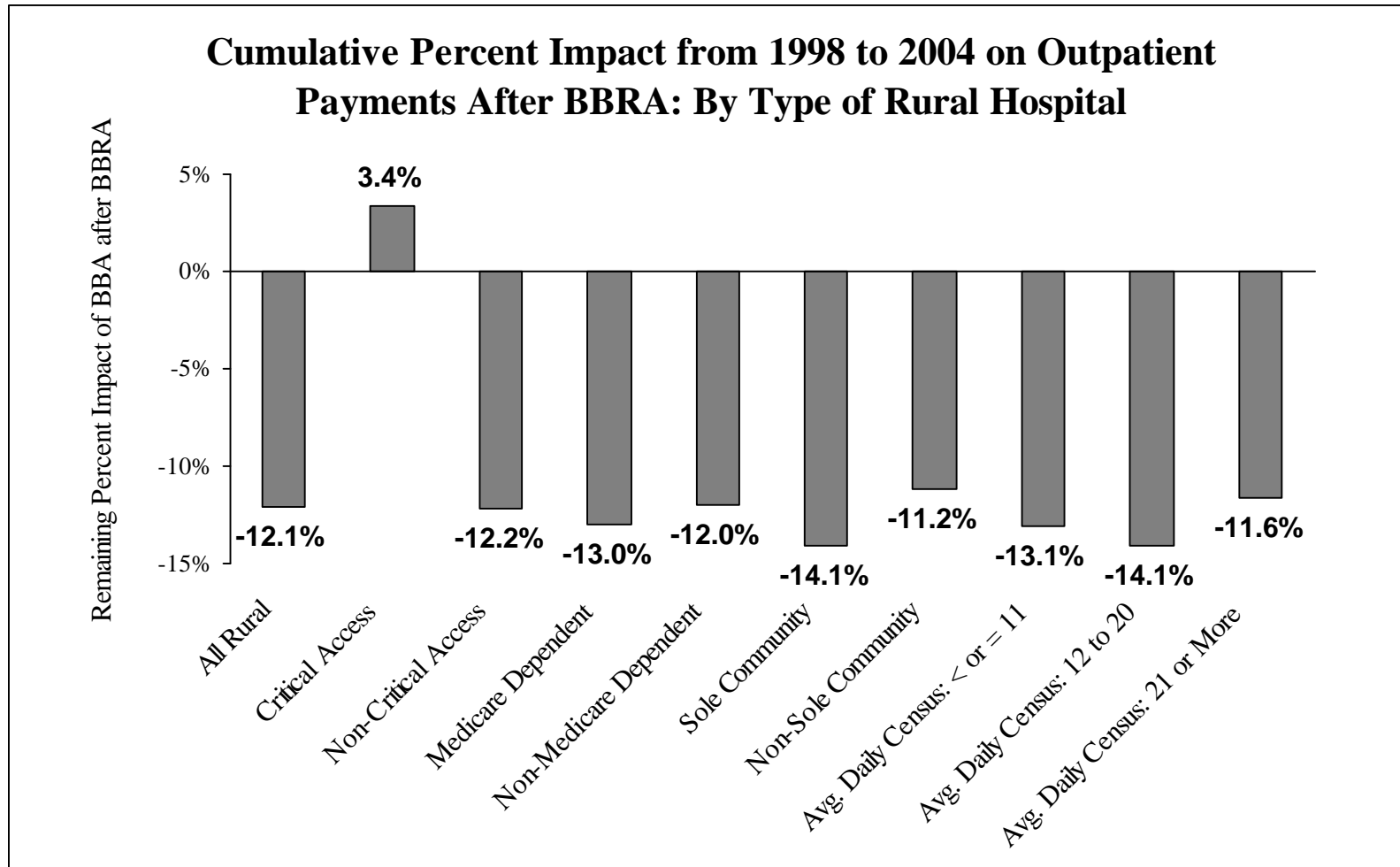
Source: The Lewin Group analysis of Medicare cost report data.

Outpatient Medicare Payments to Rural Hospitals are Reduced by 12.1% from 1998 to 2004



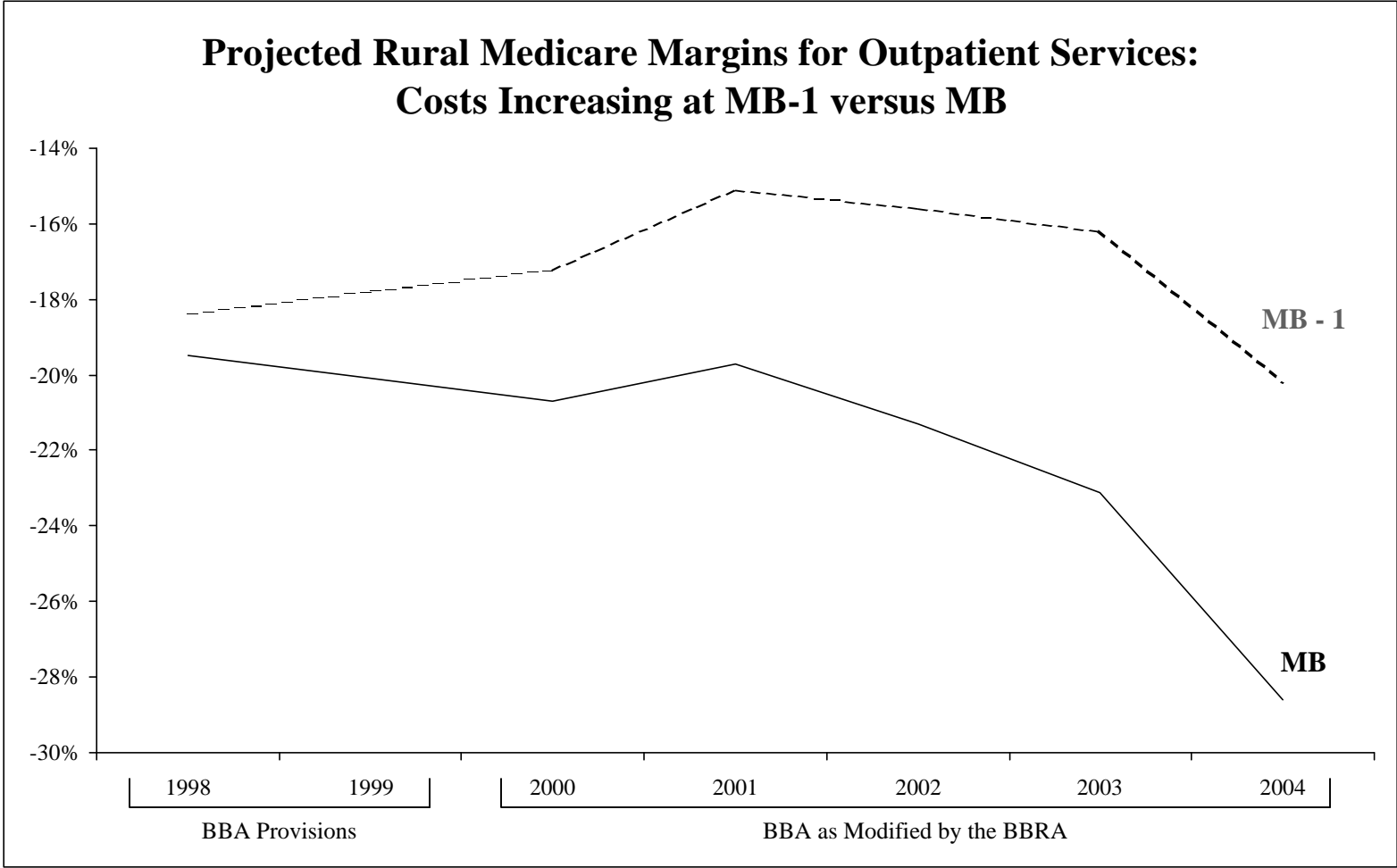
Source: The Lewin Group analysis of 1997 Medicare cost report data.

Outpatient Medicare Payments to Rural Hospitals are Reduced by 12.1% from 1998 to 2004



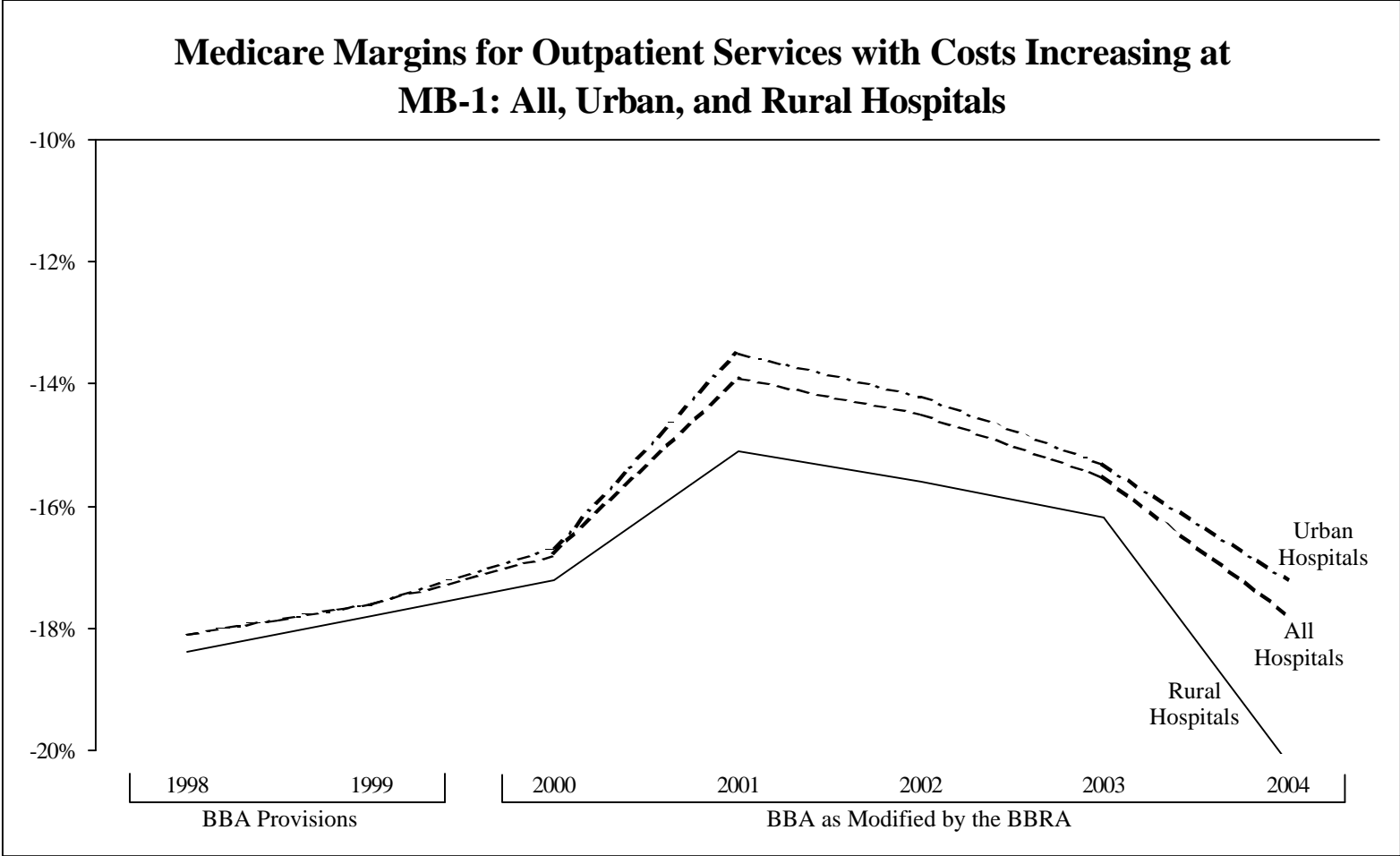
Source: The Lewin Group analysis of 1997 Medicare cost report data.

Rural Outpatient Margins That Were Already Negative Prior to the BBA Remain Negative Despite BBRA Relief



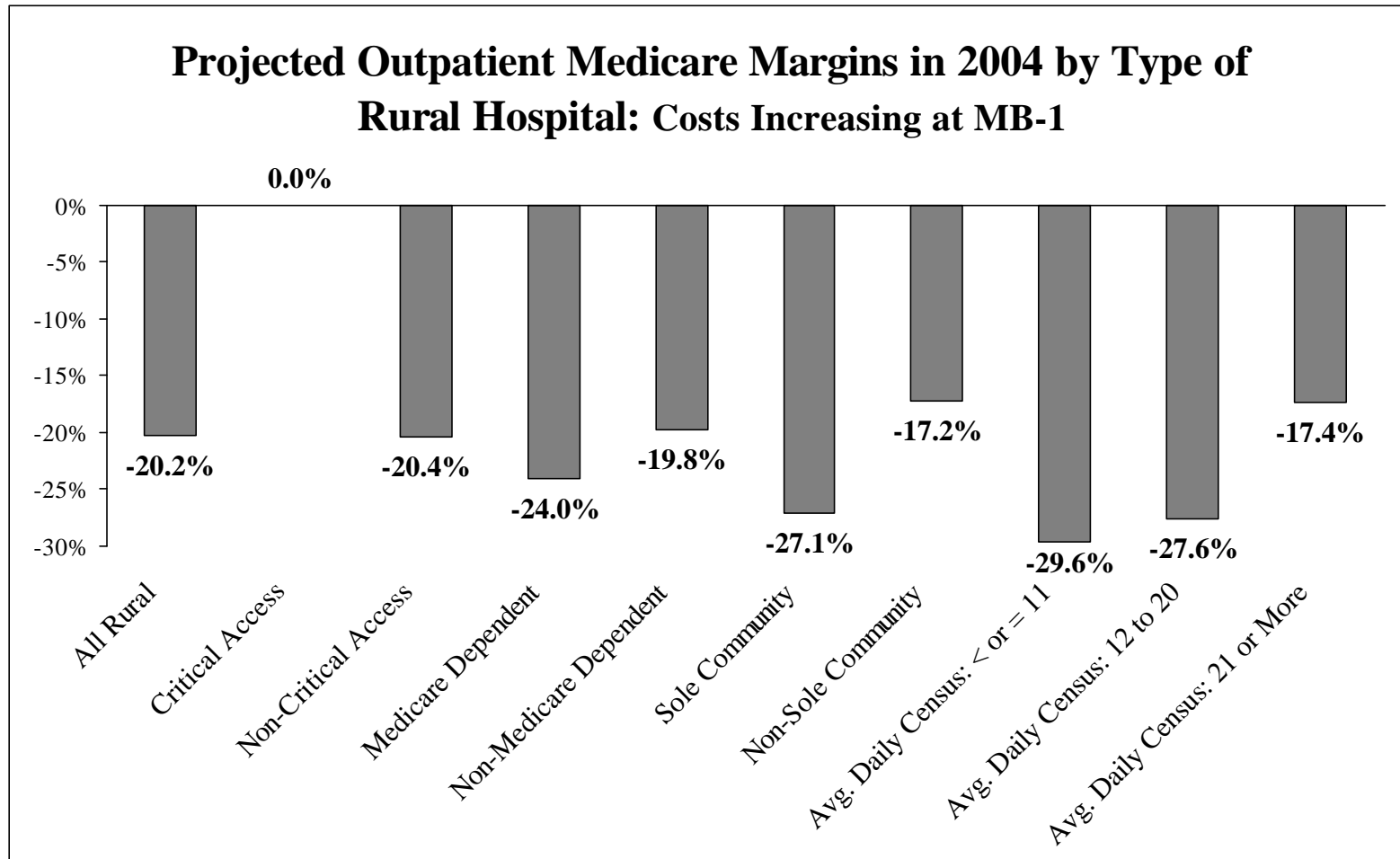
Source: The Lewin Group analysis of Medicare cost report data.

Medicare Outpatient Margins are Lowest for Rural Hospitals



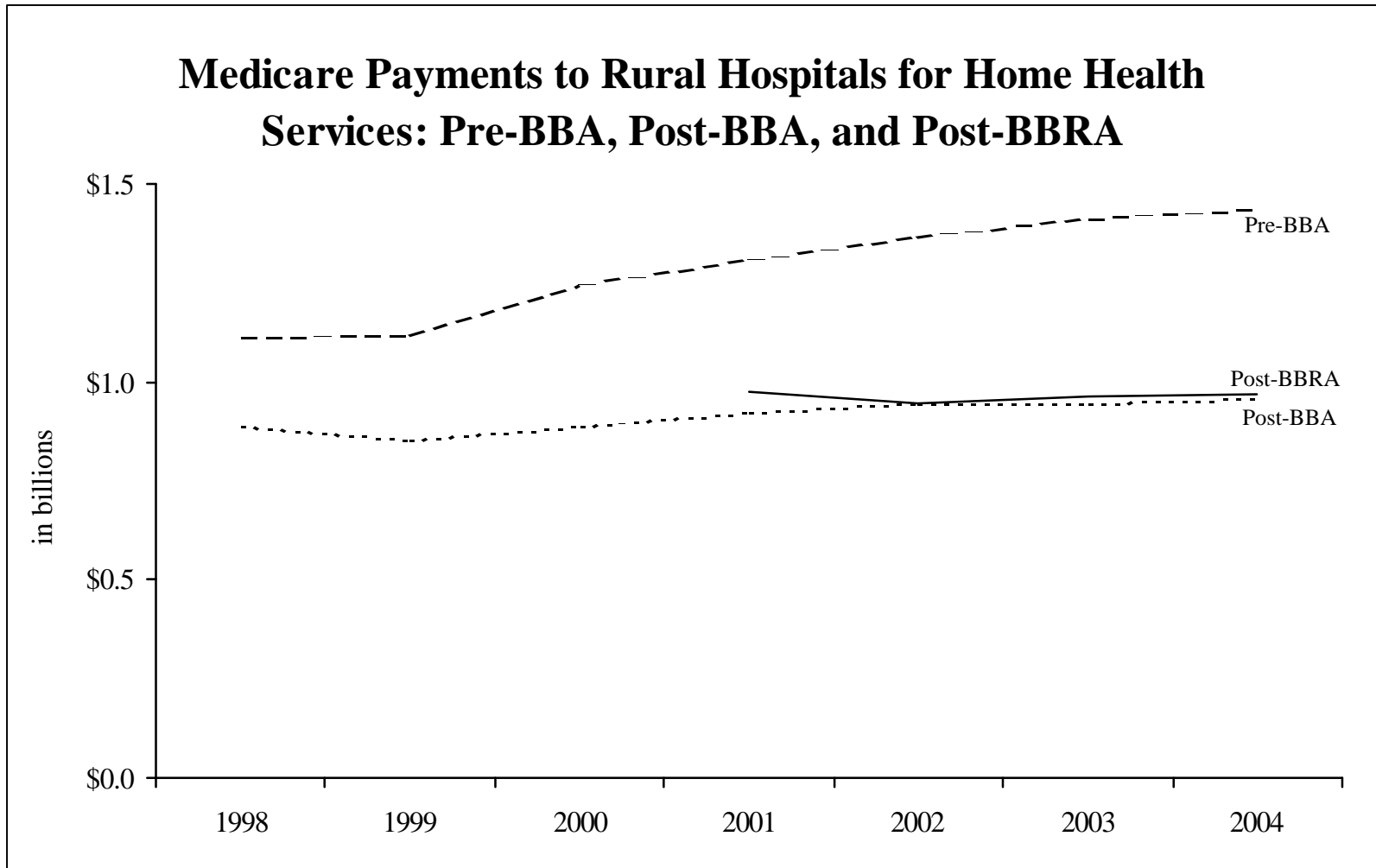
Source: The Lewin Group analysis of Medicare cost report data.

Outpatient Medicare Margins for Rural Hospitals Vary Depending on Type of Hospital



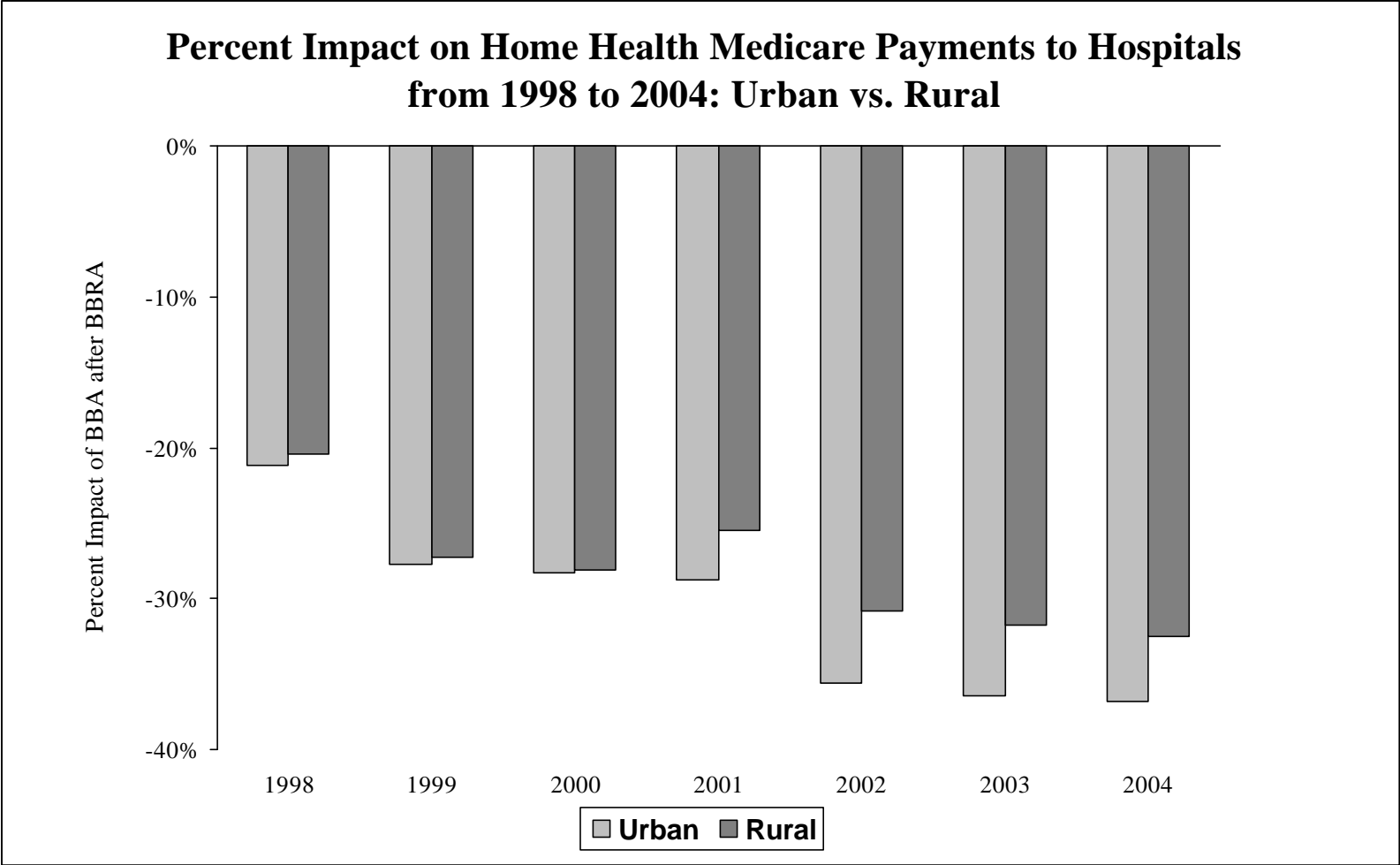
Source: The Lewin Group analysis of Medicare cost report data.

The BBRA has Minimal Impact on Home Health Payments to Rural Hospitals



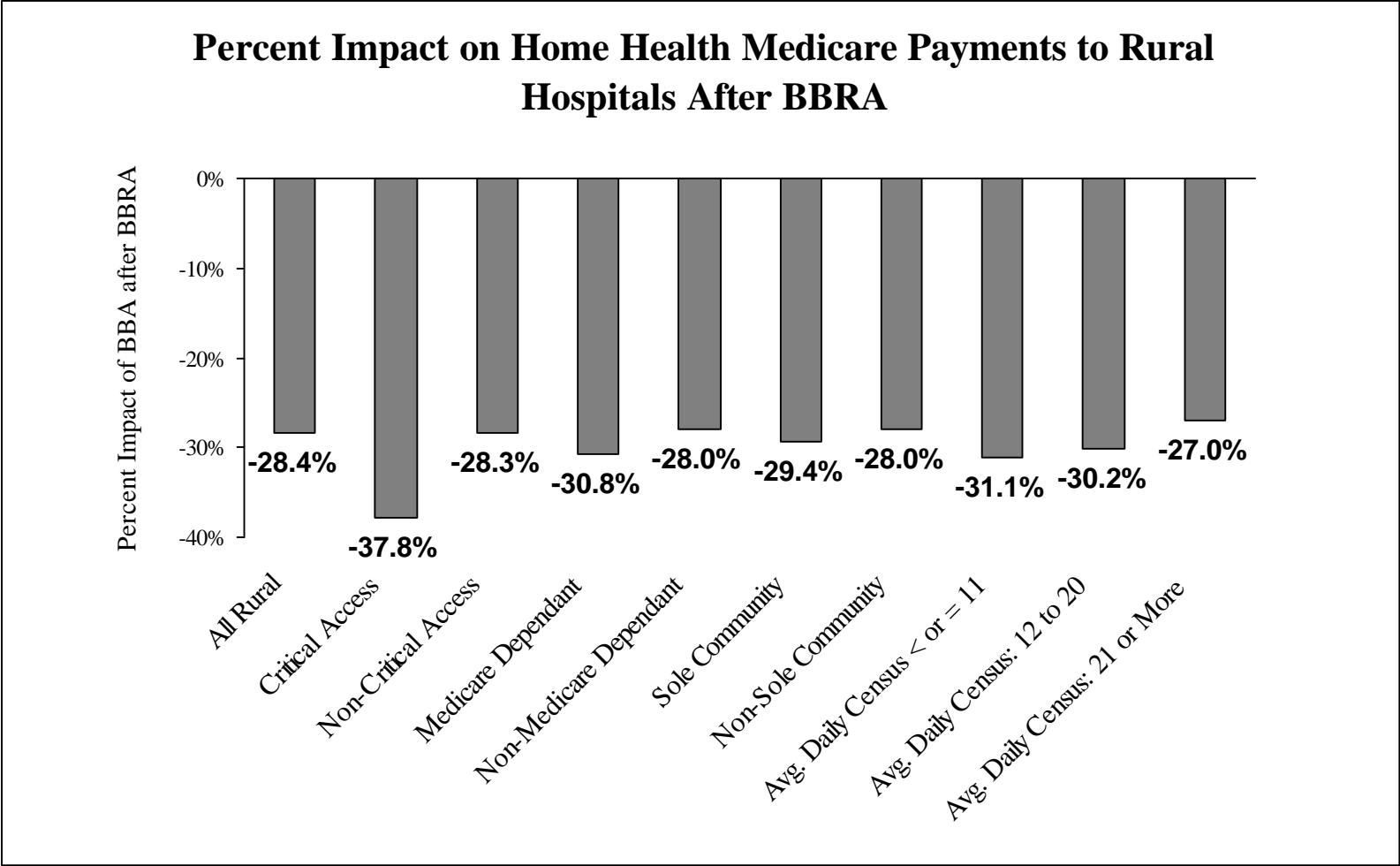
Source: The Lewin Group analysis of Medicare cost report data.

Home Health Medicare Payments to Rural Hospitals



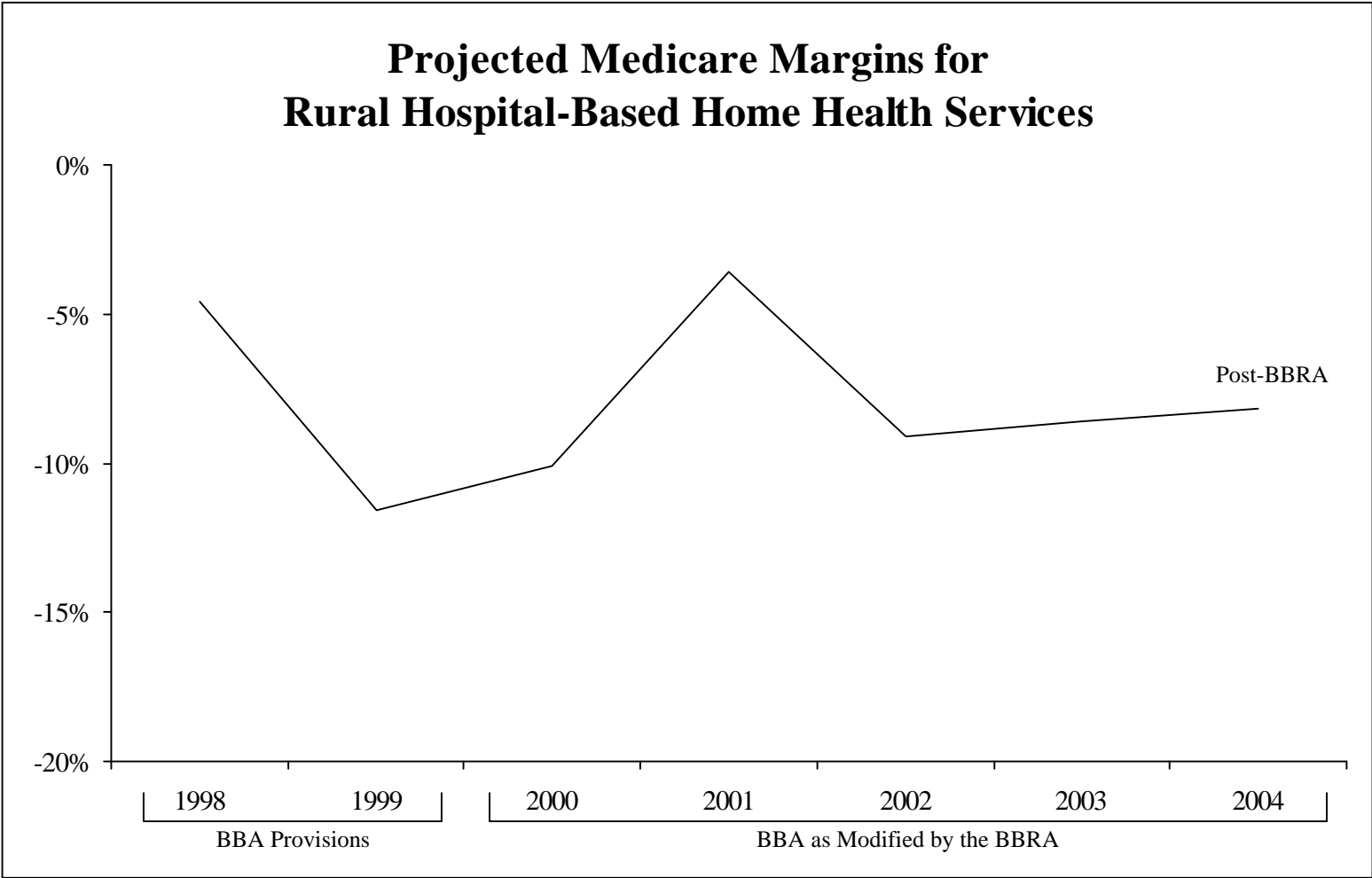
Source: The Lewin Group analysis of 1997 Medicare cost report data.

Home Health Payment Reductions Vary Somewhat by Type of Rural Hospital



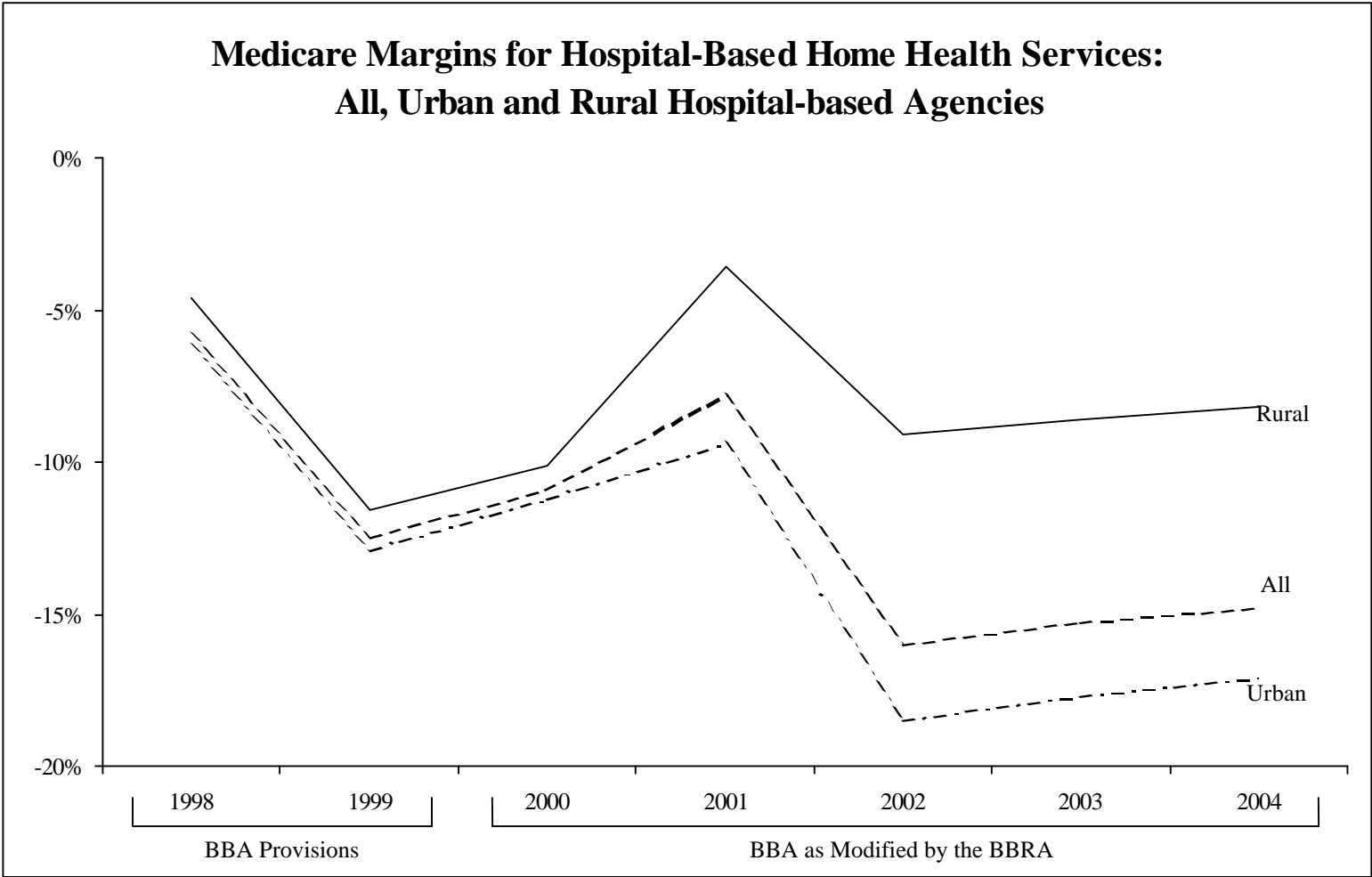
Source: The Lewin Group analysis of 1997 Medicare cost report data.

Rural Hospital-Based Home Health Margins in 2004 Remain Negative



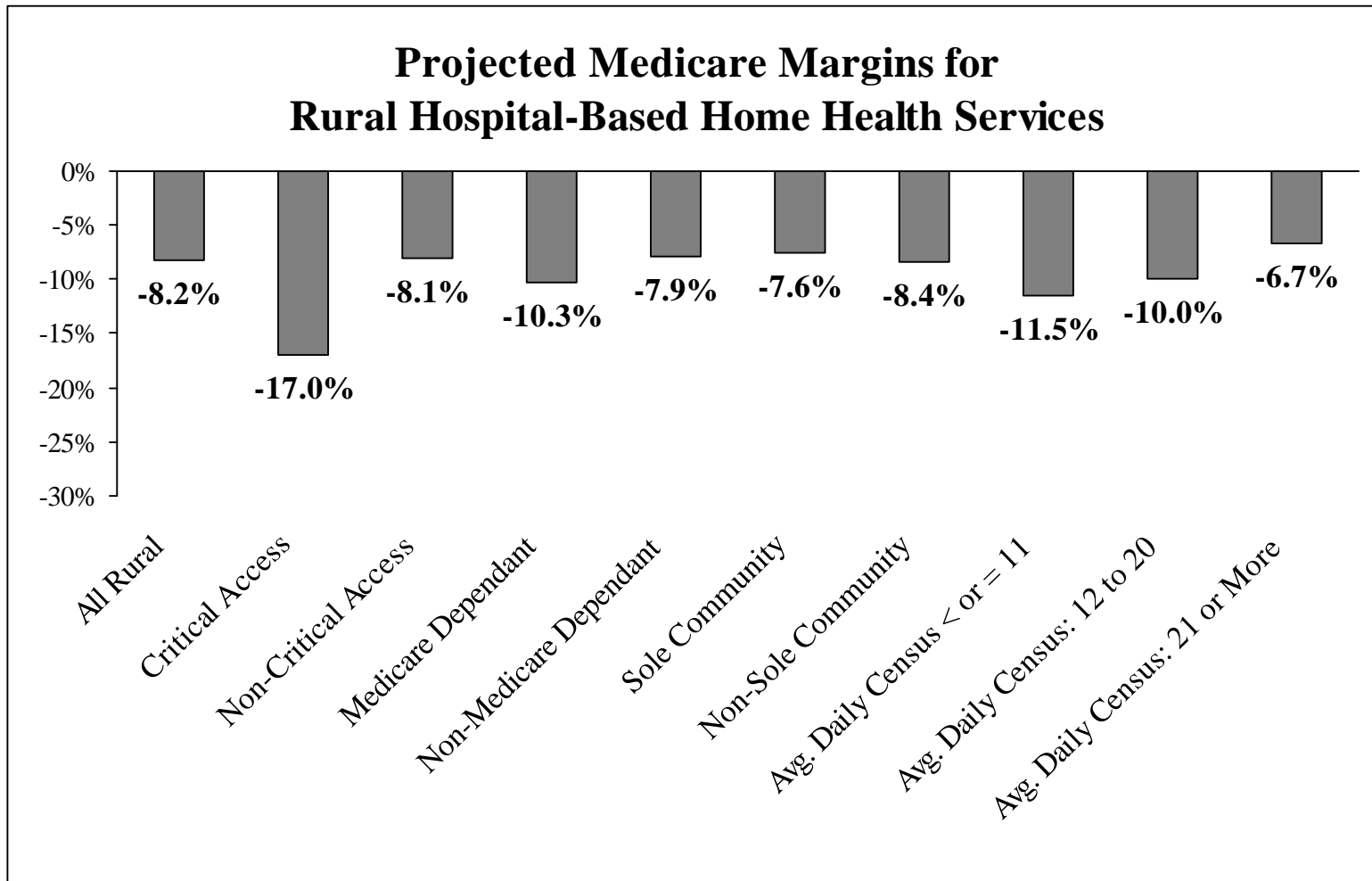
Note: Under our models, home health growth is independent of the market basket rate of growth.
Source: The Lewin Group analysis of Medicare cost report data.

Although Rural Hospital-Based Home Health Agencies Fair Better than Urban Hospital-Based Agencies, Projected Margins Remain Negative



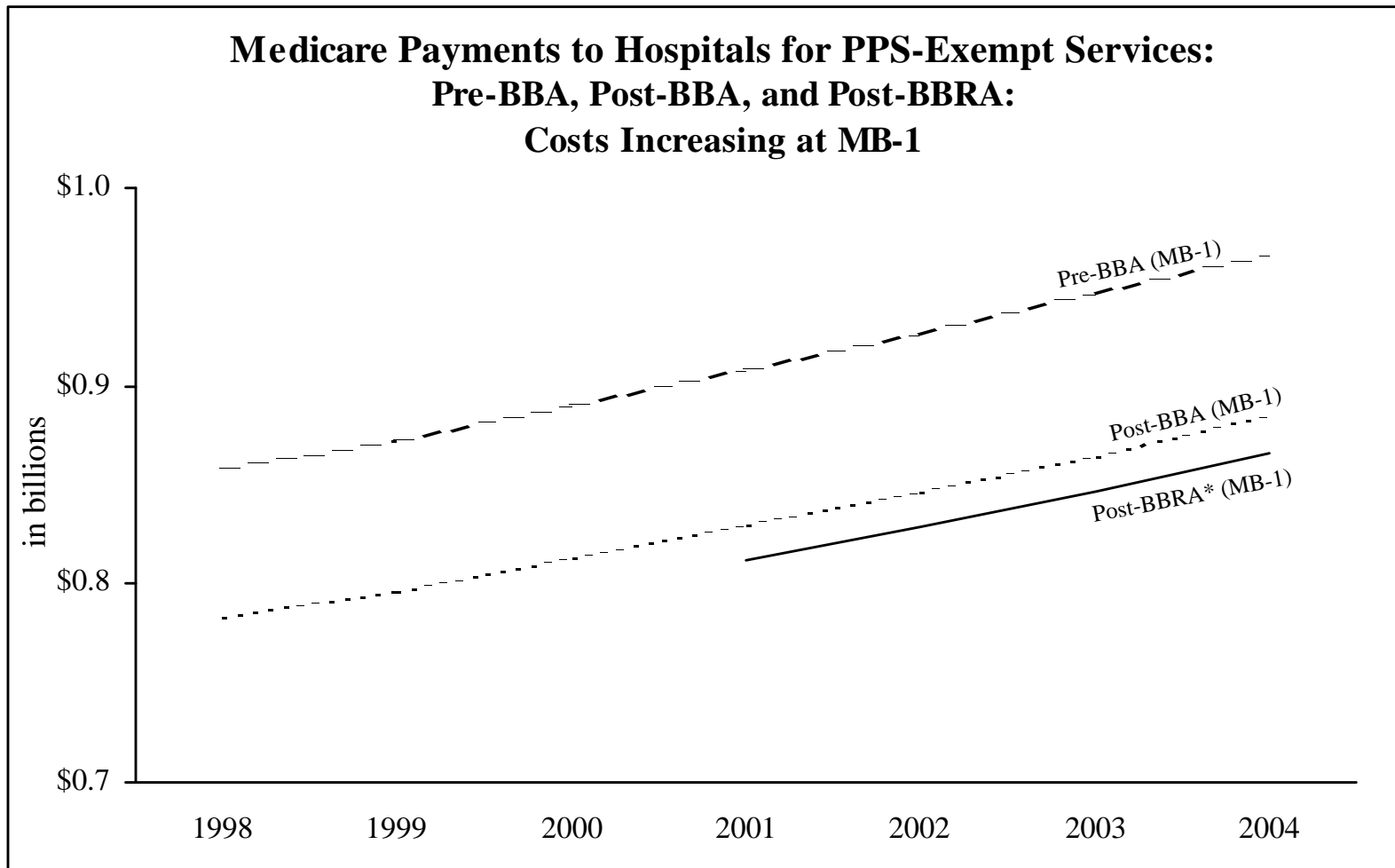
Note: Under our models, home health growth is independent of the market basket rate of growth.
Source: The Lewin Group analysis of Medicare cost report data.

Hospital-Based Home Health Margins in 2004 are projected to be **-8.2%** for All Rural Hospitals



Note: Under our models, home health growth is independent of the market basket rate of growth.
Source: The Lewin Group analysis of Medicare cost report data.

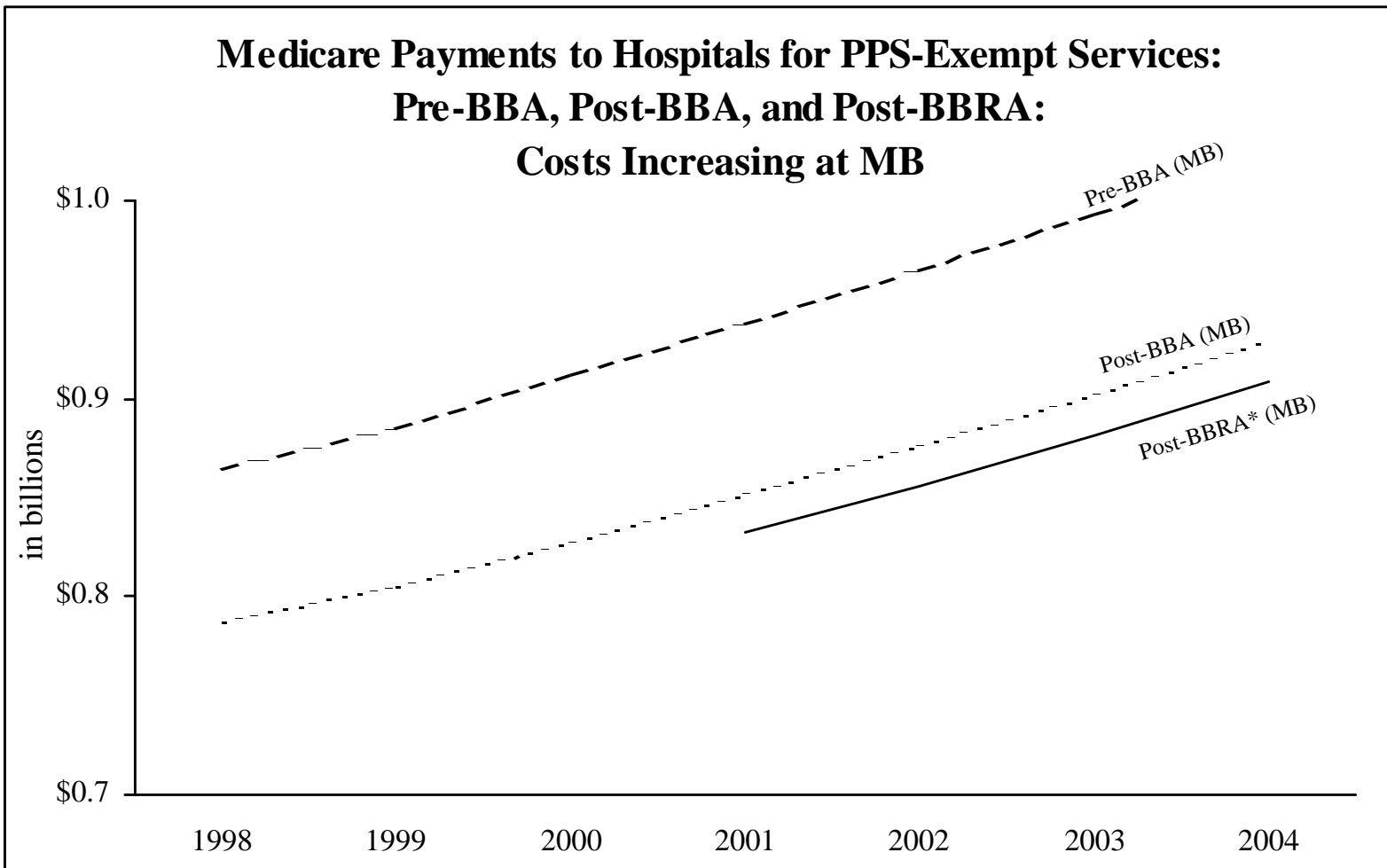
The BBRA May Further Reduce Impact of BBA and BBRA on PPS-Exempt Hospital Payments for Rural Hospitals



Source: The Lewin Group analysis of Medicare cost report data.

Note: Due to cost reimbursement, changes in the market basket rate of increase for costs also change payments.

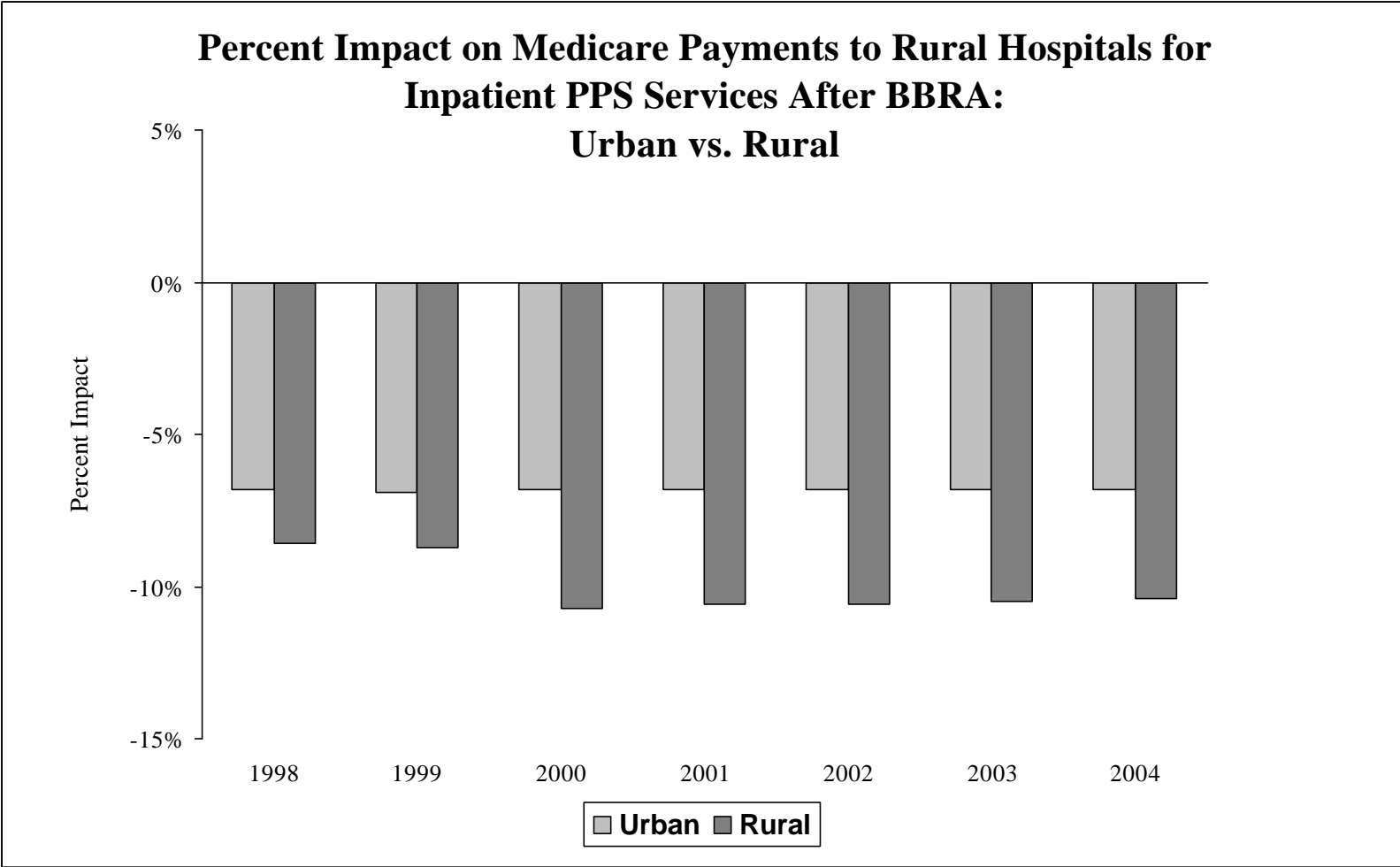
The BBRA May Further Reduce Impact of BBA and BBRA on PPS-Exempt Hospital Payments for Rural Hospitals



Source: The Lewin Group analysis of Medicare cost report data.

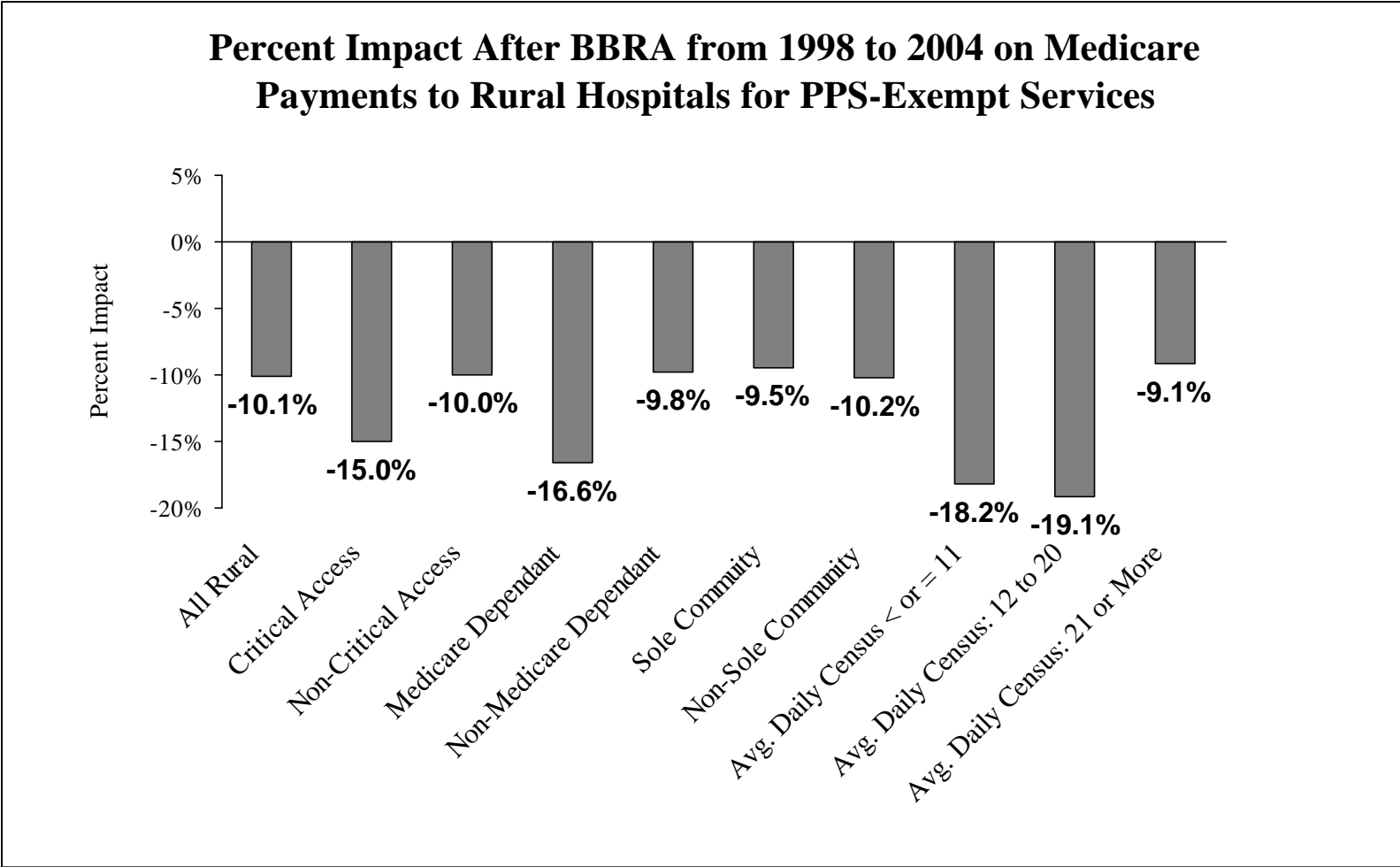
Note: Due to cost reimbursement, changes in the market basket rate of increase for costs also change payments.

PPS-Exempt Medicare Payments to Rural Hospitals are Reduced More than Urban Hospitals from 1998 to 2004



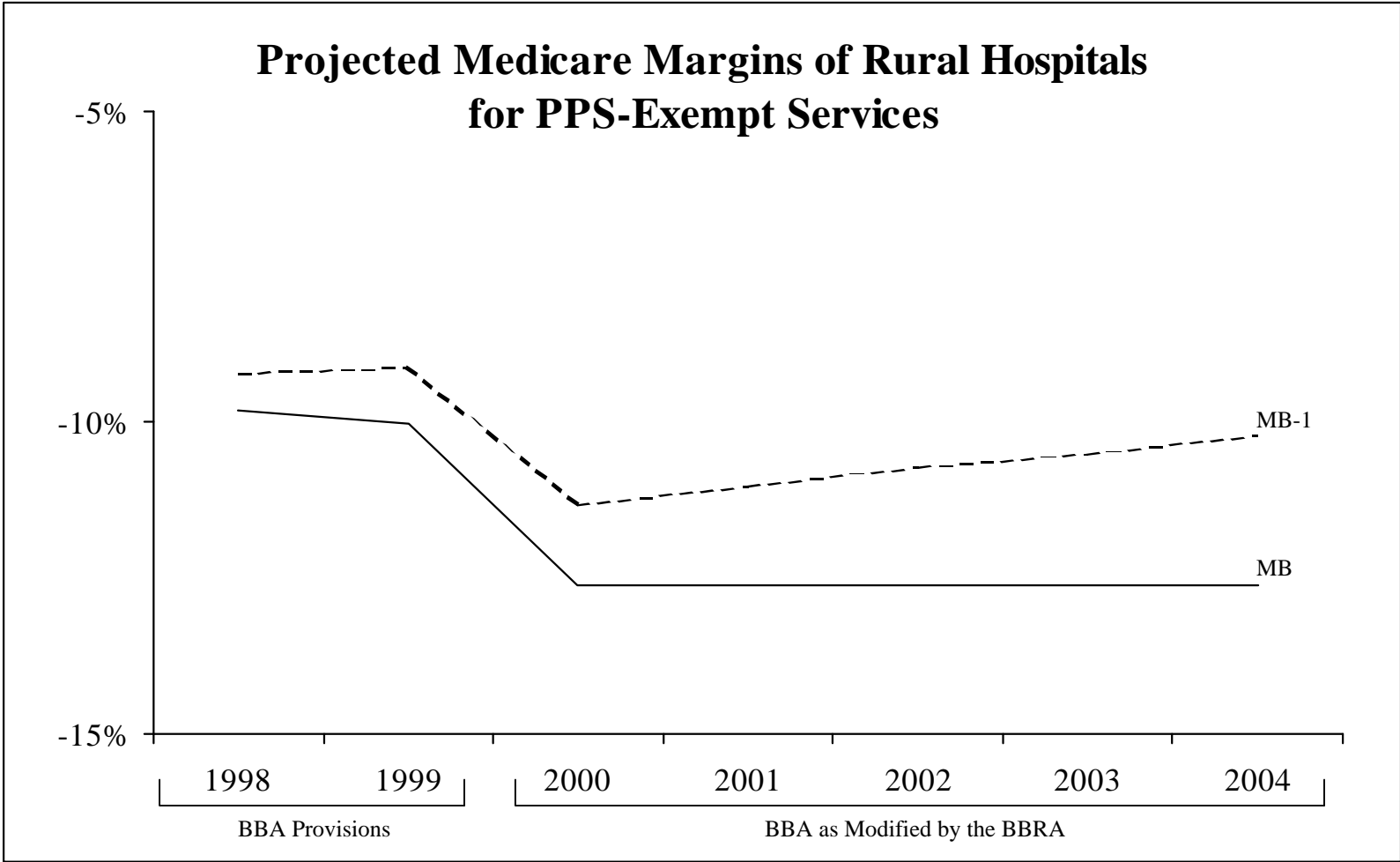
Note: Inpatient PPS includes operating, capital and bad debt payments.
Source: The Lewin Group analysis of 1997 Medicare cost report data.

PPS-Exempt Medicare Payments to Rural Hospitals Decrease by 10.1% from 1998 to 2004



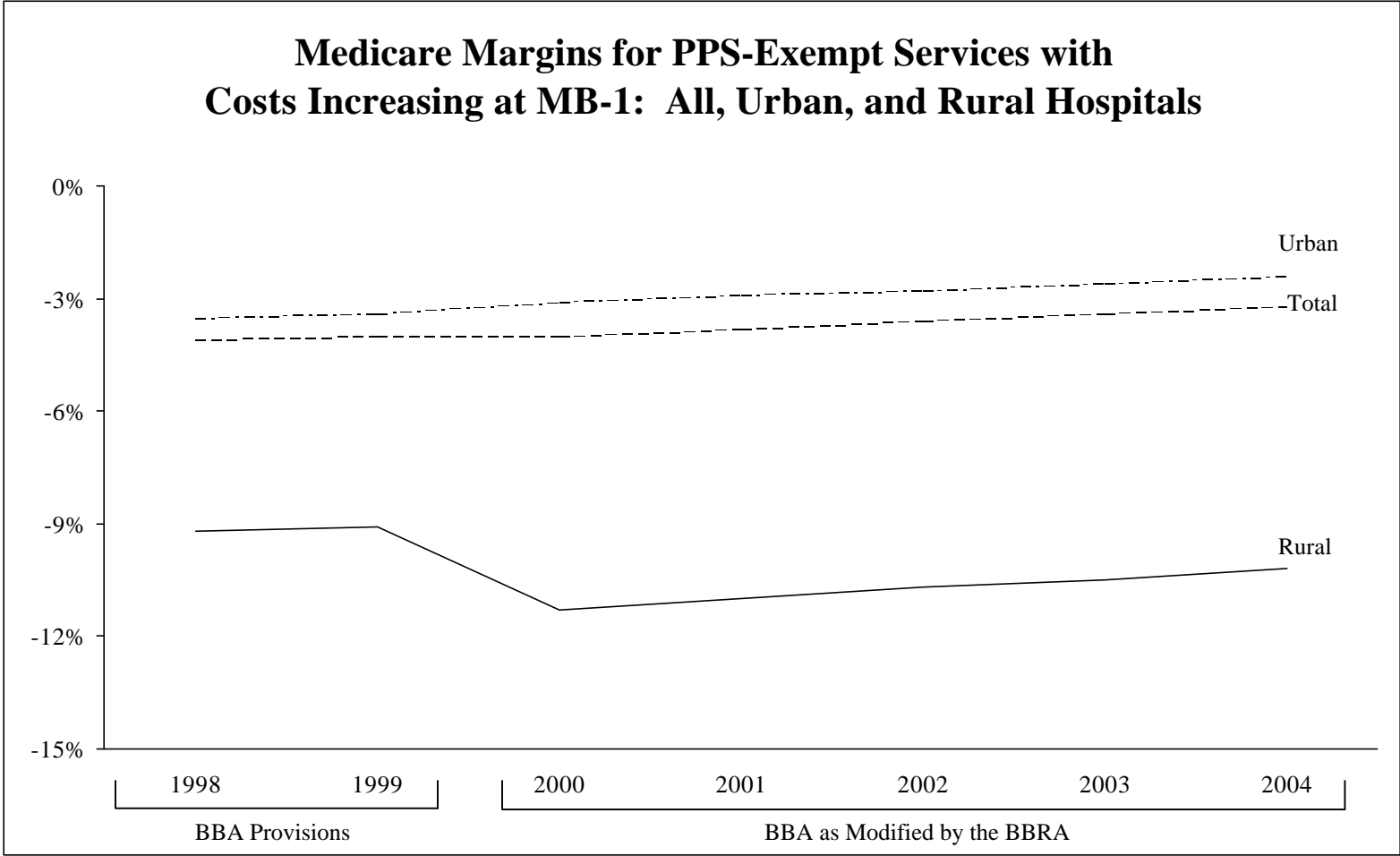
Note: Inpatient PPS includes operating, capital and bad debt payments.
 Source: The Lewin Group analysis of 1997 Medicare cost report data.

PPS-Exempt Margins for Rural Hospitals are Projected to Drop after the BBRA



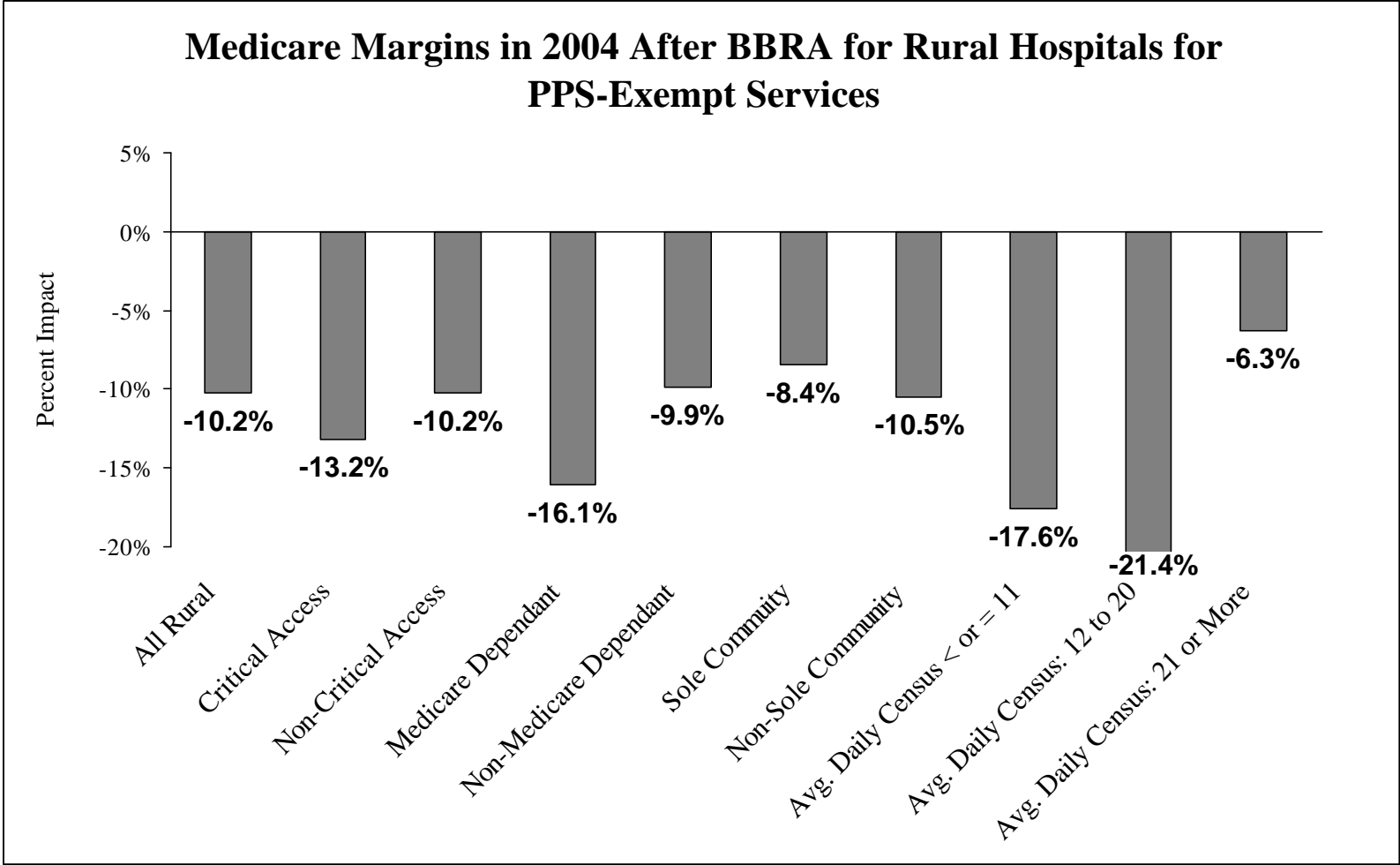
Source: The Lewin Group analysis of Medicare cost report data.

Medicare PPS-Exempt Margins are Lowest for Rural Hospitals



Source: The Lewin Group analysis of Medicare cost report data.

PPS-Exempt Medicare Margins in 2004 for Rural Hospitals Vary by Type of Rural Hospital



Note: Inpatient PPS includes operating, capital and bad debt payments.
 Source: The Lewin Group analysis of 1997 Medicare cost report data.

Summary

- ➡ The BBA reduced Medicare payments to rural hospitals by \$16.7 billion, or 10.7%, from 1998 to 2004.
- ➡ The BBRA restored \$1.8 billion to rural hospitals, increasing Medicare payment projections by 1.3% over BBA estimates.
- ➡ Even with the BBRA, total Medicare margins of rural hospitals are projected to range from negative 3.3% to negative 8.4%, resulting in at least 63% of rural hospitals losing money on Medicare.

Source: The Lewin Group analysis of Medicare cost report data.

Section II:

Detailed Results for Rural Hospitals with Costs Increasing at
Market Basket Minus One Percentage Point (MB-1)

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for Rural Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$20,083	\$21,203	\$21,798	\$22,387	\$22,974	\$23,579	\$24,195	\$114,932	\$156,219
Post-BBA Payments	\$18,850	\$19,450	\$19,632	\$19,726	\$20,082	\$20,613	\$21,148	\$101,201	\$139,501
BBA Dollar Impact	(\$1,233)	(\$1,753)	(\$2,166)	(\$2,661)	(\$2,892)	(\$2,966)	(\$3,047)	(\$13,731)	(\$16,718)
Percent Impact	-6.1%	-8.3%	-9.9%	-11.9%	-12.6%	-12.6%	-12.6%	-11.9%	-10.7%
Post-BBA Costs	\$19,495	\$20,136	\$20,536	\$20,915	\$21,314	\$21,731	\$22,166	\$106,662	\$146,294
Post-BBA Margin	-3.4%	-3.5%	-4.6%	-6.0%	-6.1%	-5.4%	-4.8%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$18,850	\$19,450	\$19,714	\$20,242	\$20,514	\$21,051	\$21,462	\$102,983	\$141,284
Post-BBRA Costs	\$19,495	\$20,136	\$20,536	\$20,915	\$21,314	\$21,731	\$22,166	\$106,662	\$146,294
Post-BBRA Margin	-3.4%	-3.5%	-4.2%	-3.3%	-3.9%	-3.2%	-3.3%		
BBRA Relief Payments	-	-	\$83	\$516	\$432	\$438	\$313	\$1,782	\$1,782
Remaining BBA Impact after BBRA									
Dollar Impact	(\$1,233)	(\$1,753)	(\$2,083)	(\$2,145)	(\$2,460)	(\$2,528)	(\$2,733)	(\$11,949)	(\$14,935)
Percent Impact	-6.1%	-8.3%	-9.6%	-9.6%	-10.7%	-10.7%	-11.3%	-10.4%	-9.6%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$156,219	(\$16,718)	-10.7%	-4.8%	\$1,782	-3.3%
Non-Teaching	\$129,328	(\$14,178)	-11.0%	-6.9%	\$1,477	-5.4%
Teaching	\$26,890	(\$2,540)	-9.4%	5.2%	\$306	6.6%
Not-for-Profit	\$99,272	(\$10,110)	-10.2%	-6.3%	\$1,201	-4.7%
For Profit	\$17,183	(\$2,313)	-13.5%	10.3%	\$157	11.4%
Public	\$39,764	(\$4,295)	-10.8%	-7.4%	\$425	-6.0%
New England	\$9,316	(\$1,079)	-11.6%	-12.6%	\$152	-10.9%
Middle Atlantic	\$10,700	(\$928)	-8.7%	-0.3%	\$150	1.8%
South Atlantic	\$29,913	(\$3,279)	-11.0%	-2.6%	\$300	-1.3%
East North Central	\$24,668	(\$2,581)	-10.5%	-9.0%	\$312	-7.1%
East South Central	\$22,247	(\$2,454)	-11.0%	3.4%	\$169	4.3%
West North Central	\$21,708	(\$2,158)	-9.9%	-14.6%	\$318	-12.5%
West South Central	\$18,665	(\$2,361)	-12.7%	0.0%	\$143	0.9%
Mountain	\$9,570	(\$969)	-10.1%	-4.4%	\$127	-2.6%
Pacific	\$9,431	(\$906)	-9.6%	-4.8%	\$111	-3.2%
Non-DSH	\$35,325	(\$969)	-2.7%	-4.4%	\$127	-2.6%
DSH	\$120,894	(\$906)	-0.7%	-6.0%	\$111	-4.4%
Less than 50 Beds	\$25,529	(\$3,153)	-12.4%	-10.6%	\$372	-8.9%
50 to 99 Beds	\$38,287	(\$4,504)	-11.8%	-4.1%	\$500	-2.6%
100 to 199 Beds	\$52,908	(\$5,579)	-10.5%	-3.7%	\$558	-2.2%
200 to 499 Beds	\$37,125	(\$3,298)	-8.9%	-3.2%	\$332	-1.9%
500 Beds or More	\$2,370	(\$184)	-7.8%	-3.7%	\$21	-2.6%

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins By Type of Rural Hospital

With Costs Increasing at Market Basket Minus One Percentage Point

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$397	(\$31)	-7.9%	-25.5%	\$5	-24.5%	-6.6%
15 to 24 Beds	\$3,007	(\$380)	-12.6%	-15.0%	\$53	-13.1%	-10.9%
25 to 50 Beds	\$22,088	(\$2,741)	-12.4%	-9.8%	\$316	-8.1%	-11.0%
51 to 99 Beds	\$38,298	(\$4,513)	-11.8%	-4.2%	\$500	-2.6%	-10.5%
100 Beds or More	\$92,429	(\$9,053)	-9.8%	-3.5%	\$907	-2.0%	-8.8%
Average Daily Census: < or = 11	\$16,935	(\$2,198)	-13.0%	-12.2%	\$272	-10.4%	-11.4%
Average Daily Census: 12 to 20	\$20,338	(\$2,533)	-12.5%	-9.5%	\$305	-7.6%	-11.0%
Average Daily Census: 21 or More	\$115,910	(\$11,737)	-10.1%	-3.2%	\$1,214	-1.7%	-9.1%
Unknown ADC	\$3,036	(\$249)	-8.2%	1.9%	(\$10)	1.4%	-8.5%
Non-Sole Community Hospital	\$125,044	(\$13,140)	-10.5%	-4.2%	\$1,317	-2.8%	-9.5%
Sole Community Hospital	\$31,175	(\$3,578)	-11.5%	-7.2%	\$465	-5.2%	-10.0%
Non-Medicare Dependant Hospital	\$144,905	(\$15,383)	-10.6%	-4.7%	\$1,512	-3.3%	-9.6%
Medicare Dependant Hospital	\$11,314	(\$1,335)	-11.8%	-6.5%	\$270	-2.8%	-9.4%
Non-Critical Access Hospital	\$155,340	(\$16,651)	-10.7%	-4.8%	\$1,782	-3.2%	-9.6%
Critical Access Hospital	\$879	(\$67)	-7.6%	-8.9%	\$0	-8.9%	-7.6%
Average Daily Census: < or = 11							
Less than 15 Beds	\$282	(\$22)	-7.8%	-30.3%	\$4	-29.3%	-6.5%
15 to 24 Beds	\$2,536	(\$334)	-13.2%	-16.9%	\$50	-14.8%	-11.2%
25 to 50 Beds	\$7,974	(\$1,102)	-13.2%	-10.2%	\$132	-8.4%	-12.2%
51 to 99 Beds	\$4,276	(\$525)	-12.3%	-12.3%	\$64	-10.7%	-10.8%
100 Beds or More	\$1,826	(\$209)	-11.4%	-10.9%	\$23	-9.1%	-10.1%
Average Daily Census: 12 to 20							
Less than 15 Beds	\$57	(\$6)	-11.4%	4.4%	0	5.4%	-10.8%
15 to 24 Beds	\$352	(\$60)	-11.4%	1.8%	\$4	2.9%	-16.1%
25 to 50 Beds	\$9,846	(\$1,145)	-11.6%	-11.9%	\$145	-9.9%	-10.2%
51 to 99 Beds	\$7,625	(\$1,007)	-13.2%	-5.9%	\$117	-4.1%	-11.7%
100 Beds or More	\$2,538	(\$283)	-11.2%	-10.0%	\$33	-8.0%	-9.9%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$3,806	(\$346)	-9.1%	-3.7%	\$50	-2.1%	-7.8%
51 to 99 Beds	\$25,549	(\$2,894)	-11.3%	-2.7%	\$322	-1.0%	-10.1%
100 Beds or More	\$86,516	(\$8,548)	-9.9%	-3.4%	\$841	-1.9%	-8.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in Rural Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$10,648	\$11,211	\$11,522	\$11,841	\$12,157	\$12,495	\$12,855	\$60,871	\$82,729
Post-BBA Payments	\$10,241	\$10,673	\$10,767	\$10,909	\$11,093	\$11,433	\$11,763	\$55,966	\$76,879
BBA Dollar Impact	(\$407)	(\$538)	(\$755)	(\$931)	(\$1,064)	(\$1,063)	(\$1,092)	(\$4,905)	(\$5,850)
Percent Impact	-3.8%	-4.8%	-6.6%	-7.9%	-8.8%	-8.5%	-8.5%	-8.1%	-7.1%
Post-BBA Costs	\$9,414	\$9,804	\$9,988	\$10,168	\$10,361	\$10,570	\$10,793	\$51,879	\$71,096
Post-BBA Margin	8.1%	8.1%	7.2%	6.8%	6.6%	7.5%	8.2%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$10,241	\$10,673	\$10,771	\$10,981	\$11,159	\$11,499	\$11,831	\$56,241	\$77,154
Post-BBRA Costs	\$9,414	\$9,804	\$9,988	\$10,168	\$10,361	\$10,570	\$10,793	\$51,879	\$71,096
Post-BBRA Margin	8.1%	8.1%	7.3%	7.4%	7.2%	8.1%	8.8%		
BBRA Relief Payments	-	-	\$4	\$71	\$66	\$66	\$68	\$275	\$275
Remaining BBA Impact after BBRA									
Dollar Impact	(\$407)	(\$538)	(\$751)	(\$860)	(\$998)	(\$997)	(\$1,024)	(\$4,630)	(\$5,575)
Percent Impact	-3.8%	-4.8%	-6.5%	-7.3%	-8.2%	-8.0%	-8.0%	-7.6%	-6.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$82,729	(\$5,850)	-7.1%	8.2%	\$275	8.8%
Non-Teaching	\$71,478	(\$5,023)	-7.0%	7.8%	\$231	8.3%
Teaching	\$11,252	(\$827)	-7.4%	11.1%	\$45	11.6%
Not-for-Profit	\$50,931	(\$3,552)	-7.0%	7.4%	\$174	8.0%
For Profit	\$9,686	(\$892)	-9.2%	19.0%	\$25	19.4%
Public	\$22,112	(\$1,406)	-6.4%	5.5%	\$77	6.1%
New England	\$2,821	(\$226)	-8.0%	-5.1%	\$8	-4.7%
Middle Atlantic	\$6,523	(\$426)	-6.5%	7.1%	\$48	8.2%
South Atlantic	\$17,594	(\$1,363)	-7.7%	8.6%	\$28	8.8%
East North Central	\$12,333	(\$847)	-6.9%	3.6%	\$38	4.1%
East South Central	\$12,337	(\$879)	-7.1%	14.0%	\$15	14.2%
West North Central	\$11,109	(\$626)	-5.6%	6.2%	\$59	7.0%
West South Central	\$9,871	(\$761)	-7.7%	13.7%	\$42	14.4%
Mountain	\$4,885	(\$331)	-6.8%	7.7%	\$20	8.4%
Pacific	\$5,255	(\$390)	-7.4%	7.7%	\$17	8.3%
DSH	\$19,511	(\$1,463)	-7.5%	11.9%	\$38	12.2%
Non-DSH	\$63,218	(\$4,387)	-6.9%	7.1%	\$237	7.7%
Less than 50 Beds	\$7,531	(\$463)	-6.2%	8.2%	\$49	9.3%
50 to 99 Beds	\$16,647	(\$1,239)	-7.4%	7.9%	\$79	8.7%
100 to 199 Beds	\$31,614	(\$2,257)	-7.1%	9.4%	\$96	9.9%
200 to 499 Beds	\$25,932	(\$1,835)	-7.1%	7.1%	\$49	7.3%
500 Beds or More	\$1,004	(\$56)	-5.5%	7.1%	\$3	7.6%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services by Type of Rural Hospital

With Costs Increasing at Market Basket Minus One Percentage Point

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$122	(\$6)	-4.7%	42.1%	\$0	42.2%	-4.6%
15 to 24 Beds	\$561	(\$36)	-6.4%	1.1%	\$3	2.1%	-5.8%
25 to 50 Beds	\$6,848	(\$422)	-6.2%	8.2%	\$45	9.3%	-5.5%
51 to 99 Beds	\$16,647	(\$1,239)	-7.4%	7.9%	\$79	8.7%	-7.0%
100 Beds or More	\$58,551	(\$4,148)	-7.1%	8.4%	\$148	8.7%	-6.8%
Average Daily Census: < or = 11	\$7,397	(\$472)	-6.4%	8.2%	\$38	9.0%	-5.9%
Average Daily Census: 12 to 20	\$10,151	(\$697)	-6.9%	7.6%	\$55	8.5%	-6.3%
Average Daily Census: 21 or More	\$65,181	(\$4,681)	-7.2%	8.4%	\$182	8.8%	-6.9%
Unknown ADC	-	-	-	-	-	-	-
Non-Sole Community Hospital	\$57,283	(\$3,973)	-6.9%	7.9%	\$135	8.3%	-6.7%
Sole Community Hospital	\$25,446	(\$1,877)	-7.4%	9.0%	\$141	9.9%	-6.8%
Non-Medicare Dependant Hospital	\$76,735	(\$5,523)	-7.2%	8.2%	\$149	8.5%	-7.0%
Medicare Dependant Hospital	\$5,994	(\$327)	-5.5%	9.0%	\$126	12.4%	-3.4%
Non-Critical Access Hospital	\$82,341	(\$5,839)	-7.1%	8.3%	\$275	8.8%	-6.8%
Critical Access Hospital	\$388	(\$11)	-2.8%	0.0%	\$0	0.0%	-2.8%
Average Daily Census: < or = 11							
Less than 15 Beds	\$118	(\$5)	-4.6%	45.3%	\$0	45.4%	-4.4%
15 to 24 Beds	\$539	(\$34)	-6.3%	-1.2%	\$3	-0.1%	-5.7%
25 to 50 Beds	\$3,572	(\$228)	-6.4%	7.8%	\$24	8.9%	-5.7%
51 to 99 Beds	\$2,271	(\$152)	-6.7%	9.3%	\$8	9.8%	-6.4%
100 Beds or More	\$898	(\$53)	-5.9%	7.8%	\$3	8.4%	-5.5%
Average Daily Census: 12 to 20							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$23	(\$2)	-8.7%	53.7%	\$0	53.8%	-8.7%
25 to 50 Beds	\$2,539	(\$155)	-6.1%	8.9%	\$17	10.0%	-5.4%
51 to 99 Beds	\$5,441	(\$398)	-7.3%	5.9%	\$27	6.7%	-6.8%
100 Beds or More	\$2,144	(\$142)	-6.6%	9.9%	\$11	10.7%	-6.1%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$736	(\$39)	-5.3%	7.3%	\$5	8.3%	-4.7%
51 to 99 Beds	\$8,936	(\$689)	-7.7%	8.7%	\$45	9.6%	-7.2%
100 Beds or More	\$55,509	(\$3,953)	-7.1%	8.3%	\$133	8.7%	-6.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in Rural Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$3,007	\$3,238	\$3,299	\$3,359	\$3,423	\$3,491	\$3,564	\$17,136	\$23,381
Post-BBA Payments	\$2,756	\$2,809	\$2,804	\$2,688	\$2,739	\$2,794	\$2,852	\$13,877	\$19,442
BBA Dollar Impact	(\$251)	(\$428)	(\$495)	(\$671)	(\$684)	(\$697)	(\$712)	(\$3,259)	(\$3,939)
Percent Impact	-8.4%	-13.2%	-15.0%	-20.0%	-20.0%	-20.0%	-20.0%	-19.0%	-16.8%
Post-BBA Costs	\$3,263	\$3,308	\$3,371	\$3,432	\$3,497	\$3,567	\$3,642	\$17,510	\$24,081
Post-BBA Margin	-18.4%	-17.8%	-20.2%	-27.7%	-27.7%	-27.7%	-27.7%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$2,756	\$2,809	\$2,876	\$2,981	\$3,026	\$3,070	\$3,030	\$14,985	\$20,550
Post-BBRA Costs	\$3,263	\$3,308	\$3,371	\$3,432	\$3,497	\$3,567	\$3,642	\$17,510	\$24,081
Post-BBRA Margin	-18.4%	-17.8%	-17.2%	-15.1%	-15.6%	-16.2%	-20.2%		
BBRA Relief Payments	-	-	\$72	\$293	\$288	\$277	\$178	\$1,107	\$1,107
Remaining BBA Impact after BBRA									
Dollar Impact	(\$251)	(\$428)	(\$423)	(\$378)	(\$396)	(\$421)	(\$534)	(\$2,152)	(\$2,831)
Percent Impact	-8.4%	-13.2%	-12.8%	-11.2%	-11.6%	-12.1%	-15.0%	-12.6%	-12.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$23,381	(\$3,939)	-16.8%	-27.7%	\$1,107	-20.2%
Non-Teaching	\$20,722	(\$3,529)	-17.0%	-28.2%	\$984	-20.8%
Teaching	\$2,660	(\$410)	-15.4%	-23.6%	\$123	-15.8%
Not-for-Profit	\$14,177	(\$2,366)	-16.7%	-26.8%	\$677	-19.1%
For Profit	\$2,087	(\$379)	-18.2%	-28.1%	\$112	-19.5%
Public	\$7,117	(\$1,194)	-16.8%	-29.3%	\$319	-22.5%
New England	\$984	(\$214)	-21.8%	-41.1%	\$61	-32.0%
Middle Atlantic	\$1,666	(\$214)	-12.9%	-19.0%	\$75	-11.3%
South Atlantic	\$4,306	(\$770)	-17.9%	-26.9%	\$206	-19.0%
East North Central	\$3,980	(\$657)	-16.5%	-26.0%	\$184	-18.2%
East South Central	\$2,782	(\$472)	-17.0%	-25.8%	\$130	-18.0%
West North Central	\$4,281	(\$745)	-17.4%	-30.2%	\$198	-23.4%
West South Central	\$2,482	(\$393)	-15.8%	-31.1%	\$115	-24.4%
Mountain	\$1,461	(\$242)	-16.6%	-28.8%	\$71	-21.6%
Pacific	\$1,441	(\$231)	-16.0%	-26.4%	\$67	-19.1%
DSH	\$4,711	(\$867)	-18.4%	-29.1%	\$213	-21.3%
Non-DSH	\$18,671	(\$3,072)	-16.5%	-27.3%	\$894	-19.9%
Less than 50 Beds	\$2,879	(\$513)	-17.8%	-34.4%	\$149	-28.4%
50 to 99 Beds	\$5,449	(\$973)	-17.9%	-32.6%	\$295	-25.2%
100 to 199 Beds	\$8,378	(\$1,520)	-18.1%	-29.2%	\$378	-21.0%
200 to 499 Beds	\$6,452	(\$904)	-14.0%	-20.0%	\$276	-12.7%
500 Beds or More	\$222	(\$29)	-13.2%	-4.0%	\$9	1.0%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services by Type of Rural Hospital

With Costs Increasing at Market Basket Minus One Percentage Point

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$31	(\$5)	-17.7%	-55.2%	\$2	-48.8%	-11.3%
15 to 24 Beds	\$260	(\$45)	-17.2%	-38.0%	\$14	-33.0%	-12.0%
25 to 50 Beds	\$2,588	(\$462)	-17.9%	-33.8%	\$134	-27.7%	-12.7%
51 to 99 Beds	\$5,449	(\$973)	-17.9%	-32.6%	\$295	-25.2%	-12.4%
100 Beds or More	\$15,053	(\$2,453)	-16.3%	-24.7%	\$663	-17.0%	-11.9%
Average Daily Census: < or = 11	\$3,197	(\$586)	-18.3%	-35.6%	\$168	-29.6%	-13.1%
Average Daily Census: 12 to 20	\$3,462	(\$676)	-19.5%	-35.4%	\$189	-27.6%	-14.1%
Average Daily Census: 21 or More	\$16,420	(\$2,653)	-16.2%	-25.3%	\$745	-17.4%	-11.6%
Unknown ADC	\$302	(\$23)	-7.7%	-0.8%	\$6	1.3%	-5.8%
Non-Sole Community Hospital	\$16,051	(\$2,534)	-15.8%	-24.6%	\$733	-17.2%	-11.2%
Sole Community Hospital	\$7,330	(\$1,405)	-19.2%	-35.0%	\$374	-27.1%	-14.1%
Non-Medicare Dependant Hospital	\$21,321	(\$3,567)	-16.7%	-27.4%	\$1,004	-19.8%	-12.0%
Medicare Dependant Hospital	\$2,060	(\$372)	-18.0%	-30.8%	\$103	-24.0%	-13.0%
Non-Critical Access Hospital	\$23,208	(\$3,945)	-17.0%	-27.9%	\$1,107	-20.4%	-12.2%
Critical Access Hospital	\$173	\$6	3.4%	0.0%	\$0	0.0%	3.4%
Average Daily Census: < or = 11							
Less than 15 Beds	\$28	(\$6)	-20.5%	-53.7%	\$2	-47.1%	-13.9%
15 to 24 Beds	\$221	(\$43)	-19.3%	-43.5%	\$13	-37.6%	-13.4%
25 to 50 Beds	\$1,526	(\$279)	-18.3%	-36.6%	\$82	-30.8%	-12.9%
51 to 99 Beds	\$1,006	(\$187)	-18.6%	-34.7%	\$56	-28.4%	-13.1%
100 Beds or More	\$416	(\$72)	-17.3%	-29.6%	\$15	-23.7%	-13.6%
Average Daily Census: 12 to 20							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$20	(\$2)	-8.1%	-10.7%	\$0	-9.3%	-6.8%
25 to 50 Beds	\$821	(\$149)	-18.1%	-31.4%	\$42	-24.5%	-13.0%
51 to 99 Beds	\$1,850	(\$370)	-20.0%	-38.1%	\$112	-29.9%	-13.9%
100 Beds or More	\$769	(\$155)	-20.2%	-34.3%	\$34	-26.1%	-15.7%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$200	(\$31)	-15.6%	-27.1%	\$10	-21.1%	-10.8%
51 to 99 Beds	\$2,508	(\$408)	-16.3%	-28.9%	\$126	-21.3%	-11.2%
100 Beds or More	\$13,712	(\$2,214)	-16.1%	-24.6%	\$610	-16.7%	-11.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in Rural Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$1,113	\$1,177	\$1,248	\$1,311	\$1,368	\$1,412	\$1,438	\$6,777	\$9,067
Post-BBA Payments	\$886	\$856	\$891	\$921	\$945	\$946	\$955	\$4,658	\$6,399
BBA Dollar Impact	(\$227)	(\$321)	(\$357)	(\$389)	(\$423)	(\$466)	(\$484)	(\$2,119)	(\$2,668)
Percent Impact	-20.4%	-27.3%	-28.6%	-29.7%	-30.9%	-33.0%	-33.6%	-31.3%	-29.4%
Post-BBA Costs	\$927	\$955	\$987	\$1,012	\$1,032	\$1,045	\$1,050	\$5,126	\$7,007
Post-BBA Margin	-4.6%	-11.6%	-10.8%	-9.8%	-9.2%	-10.5%	-10.0%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$886	\$856	\$896	\$976	\$946	\$963	\$971	\$4,752	\$6,494
Post-BBRA Costs	\$927	\$955	\$987	\$1,012	\$1,032	\$1,045	\$1,050	\$5,126	\$7,007
Post-BBRA Margin	-4.6%	-11.6%	-10.1%	-3.6%	-9.1%	-8.6%	-8.2%		
BBRA Relief Payments	-	-	\$6	\$55	\$1	\$16	\$16	\$94	\$94
Remaining BBA Impact after BBRA									
Dollar Impact	(\$227)	(\$321)	(\$351)	(\$334)	(\$422)	(\$450)	(\$468)	(\$2,025)	(\$2,573)
Percent Impact	-20.4%	-27.3%	-28.1%	-25.5%	-30.8%	-31.8%	-32.5%	-29.9%	-28.4%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total Rural	\$9,067	(\$2,668)	-29.4%	-10.0%	\$94	-8.2%
Non-Teaching	\$8,581	(\$2,537)	-29.6%	-9.9%	\$88	-8.1%
Teaching	\$486	(\$130)	-26.9%	-11.8%	\$6	-9.7%
Not-for-Profit	\$4,512	(\$1,216)	-27.0%	-8.3%	\$48	-6.5%
For Profit	\$1,720	(\$597)	-34.7%	-12.0%	\$21	-9.9%
Public	\$2,835	(\$854)	-30.1%	-11.6%	\$26	-9.8%
New England	\$117	(\$34)	-29.2%	-12.6%	\$1	-10.8%
Middle Atlantic	\$366	(\$115)	-31.5%	-11.8%	\$6	-9.0%
South Atlantic	\$1,773	(\$518)	-29.2%	-13.0%	\$23	-10.6%
East North Central	\$1,367	(\$382)	-28.0%	-9.1%	\$14	-7.4%
East South Central	\$1,815	(\$506)	-27.9%	-5.5%	\$16	-3.9%
West North Central	\$1,197	(\$298)	-24.9%	-5.2%	\$11	-3.9%
West South Central	\$1,721	(\$629)	-36.6%	-17.3%	\$17	-15.5%
Mountain	\$457	(\$126)	-27.5%	-5.9%	\$4	-4.7%
Pacific	\$255	(\$59)	-23.1%	-8.1%	\$3	-6.0%
DSH	\$2,263	(\$629)	-27.8%	-5.9%	\$20	-4.4%
Non-DSH	\$6,804	(\$2,038)	-30.0%	-11.5%	\$75	-9.5%
Less than 50 Beds	\$1,601	(\$536)	-33.5%	-14.7%	\$14	-13.1%
50 to 99 Beds	\$2,624	(\$773)	-29.5%	-10.5%	\$26	-8.7%
100 to 199 Beds	\$3,273	(\$949)	-29.0%	-9.5%	\$39	-7.5%
200 to 499 Beds	\$1,456	(\$385)	-26.4%	-6.3%	\$14	-4.4%
500 Beds or More	\$114	(\$25)	-21.8%	-3.3%	\$1	-2.8%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services by Type of Rural Hospital

With Costs Increasing at Market Basket Minus One Percentage Point

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$9	(\$2)	-21.6%	0.0%	\$0	0.0%	-21.5%
15 to 24 Beds	\$141	(\$48)	-33.8%	-17.7%	\$1	-15.7%	-32.7%
25 to 50 Beds	\$1,451	(\$486)	-33.5%	-14.6%	\$13	-12.9%	-32.6%
51 to 99 Beds	\$2,624	(\$773)	-29.5%	-10.5%	\$26	-8.7%	-28.5%
100 Beds or More	\$4,843	(\$1,359)	-28.1%	-8.4%	\$54	-6.5%	-26.9%
Average Daily Census: < or = 11	\$1,659	(\$530)	-32.0%	-13.2%	\$14	-11.5%	-31.1%
Average Daily Census: 12 to 20	\$1,694	(\$526)	-31.1%	-11.8%	\$15	-10.0%	-30.2%
Average Daily Census: 21 or More	\$5,658	(\$1,590)	-28.1%	-8.5%	\$64	-6.7%	-27.0%
Unknown ADC	\$56	(\$21)	-37.6%	-23.6%	\$1	-19.7%	-35.8%
Non-Sole Community Hospital	\$6,541	(\$1,897)	-29.0%	-10.2%	\$67	-8.4%	-28.0%
Sole Community Hospital	\$2,526	(\$771)	-30.5%	-9.5%	\$28	-7.6%	-29.4%
Non-Medicare Dependant Hospital	\$7,808	(\$2,269)	-29.1%	-9.7%	\$83	-7.9%	-28.0%
Medicare Dependant Hospital	\$1,259	(\$398)	-31.6%	-11.8%	\$11	-10.3%	-30.8%
Non-Critical Access Hospital	\$8,990	(\$2,638)	-29.3%	-9.9%	\$93	-8.1%	-28.3%
Critical Access Hospital	\$77	(\$30)	-39.0%	-19.4%	\$1	-17.0%	-37.8%
Average Daily Census: < or = 11							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$119	(\$39)	-33.2%	-15.5%	\$1	-13.8%	-32.2%
25 to 50 Beds	\$882	(\$312)	-35.3%	-17.5%	\$7	-15.9%	-34.5%
51 to 99 Beds	\$489	(\$132)	-27.0%	-8.6%	\$5	-6.4%	-26.1%
100 Beds or More	\$167	(\$47)	-27.9%	-4.4%	\$1	-3.6%	-27.2%
Average Daily Census: 12 to 20							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$11	(\$6)	-50.1%	-56.6%	\$0	-49.0%	-47.7%
25 to 50 Beds	\$443	(\$134)	-30.3%	-9.9%	\$4	-8.4%	-29.5%
51 to 99 Beds	\$1,002	(\$323)	-32.3%	-13.7%	\$9	-11.8%	-31.3%
100 Beds or More	\$235	(\$62)	-26.5%	-6.3%	\$2	-4.8%	-25.7%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$88	(\$24)	-27.3%	-4.0%	\$1	-2.4%	-26.3%
51 to 99 Beds	\$1,129	(\$317)	-28.0%	-8.6%	\$12	-7.0%	-27.0%
100 Beds or More	\$4,440	(\$1,250)	-28.1%	-8.6%	\$51	-6.7%	-27.0%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for TEFRA Services in Rural Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$858	\$872	\$891	\$908	\$927	\$947	\$967	\$4,641	\$6,370
Post-BBA Payments	\$784	\$796	\$813	\$830	\$847	\$865	\$885	\$4,240	\$5,820
BBA Dollar Impact	(\$74)	(\$76)	(\$78)	(\$79)	(\$80)	(\$81)	(\$83)	(\$400)	(\$551)
Percent Impact	-8.6%	-8.7%	-8.7%	-8.7%	-8.6%	-8.6%	-8.6%	-8.6%	-8.6%
Post-BBA Costs	\$856	\$868	\$885	\$901	\$918	\$936	\$955	\$4,595	\$6,319
Post-BBA Margin	-9.2%	-9.1%	-8.9%	-8.6%	-8.4%	-8.1%	-7.9%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$784	\$796	\$795	\$812	\$829	\$847	\$866	\$4,150	\$5,730
Post-BBRA Costs	\$856	\$868	\$885	\$901	\$918	\$936	\$955	\$4,595	\$6,319
Post-BBRA Margin	-9.2%	-9.1%	-11.3%	-11.0%	-10.7%	-10.5%	-10.2%		
BBRA Relief Payments	-	-	(\$18)	(\$18)	(\$18)	(\$18)	(\$18)	(\$90)	(\$90)
Remaining BBA Impact after BBRA									
Dollar Impact	(\$74)	(\$76)	(\$95)	(\$97)	(\$98)	(\$99)	(\$101)	(\$491)	(\$641)
Percent Impact	-8.6%	-8.7%	-10.7%	-10.6%	-10.6%	-10.5%	-10.4%	-10.6%	-10.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total Rural	\$6,370	(\$551)	-8.6%	-7.9%	(\$90)	-10.2%
Non-Teaching	\$5,678	(\$504)	-8.9%	-8.0%	(\$87)	-10.5%
Teaching	\$692	(\$47)	-6.7%	-7.3%	(\$3)	-7.9%
Not-for-Profit	\$2,351	(\$153)	-6.5%	-3.9%	(\$22)	-5.3%
For Profit	\$1,372	(\$124)	-9.1%	-2.6%	(\$20)	-4.9%
Public	\$2,647	(\$274)	-10.3%	-14.4%	(\$48)	-17.5%
New England	\$326	(\$18)	-5.6%	-4.4%	(\$0)	-4.5%
Middle Atlantic	\$430	(\$25)	-5.8%	-6.3%	(\$2)	-7.0%
South Atlantic	\$1,301	(\$89)	-6.8%	-5.5%	(\$3)	-5.8%
East North Central	\$746	(\$43)	-5.8%	-7.9%	(\$0)	-8.0%
East South Central	\$771	(\$97)	-12.6%	-7.5%	(\$23)	-12.7%
West North Central	\$689	(\$51)	-7.4%	-8.0%	(\$10)	-10.2%
West South Central	\$1,517	(\$191)	-12.6%	-9.0%	(\$51)	-14.9%
Mountain	\$214	(\$12)	-5.5%	-2.1%	(\$0)	-2.2%
Pacific	\$376	(\$25)	-6.6%	-21.0%	\$0	-20.9%
DSH	\$1,615	(\$172)	-10.6%	-10.7%	(\$32)	-14.1%
Non-DSH	\$4,755	(\$379)	-8.0%	-7.0%	(\$59)	-8.9%
Less than 50 Beds	\$740	(\$90)	-12.2%	-8.0%	(\$22)	-13.1%
50 to 99 Beds	\$1,890	(\$203)	-10.7%	-7.0%	(\$42)	-10.7%
100 to 199 Beds	\$1,831	(\$129)	-7.0%	-6.3%	(\$20)	-8.1%
200 to 499 Beds	\$1,811	(\$123)	-6.8%	-6.2%	(\$6)	-6.7%
500 Beds or More	\$100	(\$5)	-5.3%	-81.4%	\$0	-81.3%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for PPS-Exempt Services by Type of Rural Hospital

With Costs Increasing at Market Basket Minus One Percentage Point

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$63	(\$3)	-4.8%	-12.6%	\$0	-12.6%	-4.8%
25 to 50 Beds	\$677	(\$87)	-12.9%	-7.6%	(\$22)	-13.2%	-16.1%
51 to 99 Beds	\$1,890	(\$203)	-10.7%	-7.0%	(\$42)	-10.7%	-13.0%
100 Beds or More	\$3,741	(\$258)	-6.9%	-8.3%	(\$26)	-9.4%	-7.6%
Average Daily Census: < or = 11	\$366	(\$51)	-13.9%	-9.8%	(\$16)	-17.6%	-18.2%
Average Daily Census: 12 to 20	\$478	(\$69)	-14.5%	-12.7%	(\$22)	-21.4%	-19.1%
Average Daily Census: 21 or More	\$3,386	(\$269)	-7.9%	-4.6%	(\$38)	-6.3%	-9.1%
Unknown ADC	\$2,140	(\$161)	-7.5%	-11.9%	(\$15)	-13.0%	-8.2%
Non-Sole Community Hospital	\$5,353	(\$470)	-8.8%	-8.3%	(\$74)	-10.5%	-10.2%
Sole Community Hospital	\$1,018	(\$81)	-8.0%	-6.0%	(\$16)	-8.4%	-9.5%
Non-Medicare Dependant Hospital	\$6,100	(\$518)	-8.5%	-7.9%	(\$78)	-9.9%	-9.8%
Medicare Dependant Hospital	\$270	(\$33)	-12.1%	-8.3%	(\$12)	-16.1%	-16.6%
Non-Critical Access Hospital	\$6,335	(\$546)	-8.6%	-7.9%	(\$89)	-10.2%	-10.0%
Critical Access Hospital	\$35	(\$4)	-11.7%	-7.5%	(\$1)	-13.2%	-15.0%
Average Daily Census: < or = 11							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$139	(\$31)	-22.0%	-19.2%	(\$9)	-34.6%	-28.7%
51 to 99 Beds	\$210	(\$19)	-9.3%	-4.9%	(\$6)	-9.7%	-12.4%
100 Beds or More	\$16	(\$1)	-5.2%	-3.8%	\$0	-3.8%	-5.2%
Average Daily Census: 12 to 20							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$67	(\$15)	-22.0%	-18.6%	(\$4)	-33.8%	-28.5%
51 to 99 Beds	\$304	(\$48)	-15.8%	-12.3%	(\$14)	-21.0%	-20.3%
100 Beds or More	\$107	(\$6)	-6.0%	-10.4%	(\$4)	-16.2%	-9.5%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$11	(\$1)	-6.3%	0.3%	(\$1)	-14.5%	-15.3%
51 to 99 Beds	\$336	(\$57)	-17.0%	-13.5%	(\$15)	-22.7%	-21.6%
100 Beds or More	\$3,039	(\$211)	-7.0%	-3.7%	(\$22)	-4.7%	-7.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

Section III:

Detailed Results for Rural Hospitals with Costs Increasing at
Market Basket (MB)

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for Rural Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$20,087	\$21,216	\$21,820	\$22,419	\$23,016	\$23,632	\$24,260	\$115,147	156,450
Post-BBA Payments	\$18,850	\$19,459	\$19,649	\$19,753	\$20,118	\$20,660	\$21,207	\$101,386	\$139,695
BBA Dollar Impact	(\$1,237)	(\$1,757)	(\$2,171)	(\$2,667)	(\$2,898)	(\$2,972)	(\$3,053)	(\$13,761)	(\$16,756)
Percent Impact	-6.2%	-8.3%	-9.9%	-11.9%	-12.6%	-12.6%	-12.6%	-12.0%	-10.7%
Post-BBA Costs	\$19,495	\$20,308	\$20,887	\$21,456	\$22,052	\$22,677	\$23,329	\$110,401	\$150,204
Post-BBA Margin	-3.4%	-4.4%	-6.3%	-8.6%	-9.6%	-9.8%	-10.0%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$18,850	\$19,459	\$19,730	\$20,267	\$20,548	\$21,095	\$21,516	\$103,155	\$141,464
Post-BBRA Costs	\$19,495	\$20,308	\$20,887	\$21,456	\$22,052	\$22,677	\$23,329	\$110,401	\$150,204
Post-BBRA Margin	-3.4%	-4.4%	-5.9%	-5.9%	-7.3%	-7.5%	-8.4%		
BBRA Relief Payments	-	-	\$81	\$514	\$429	\$435	\$309	\$1,769	\$1,769
Remaining BBA Impact after BBRA									
Dollar Impact	(\$1,237)	(\$1,757)	(\$2,089)	(\$2,152)	(\$2,469)	(\$2,538)	(\$2,744)	(\$11,992)	(\$14,987)
Percent Impact	-6.2%	-8.3%	-9.6%	-9.6%	-10.7%	-10.7%	-11.3%	-10.4%	-9.6%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$156,450	(\$16,756)	-10.7%	-10.0%	\$1,769	-8.4%
Non-Teaching	\$129,529	(\$14,209)	-11.0%	-12.2%	\$1,464	-10.6%
Teaching	\$26,922	(\$2,547)	-9.5%	0.3%	\$305	1.8%
Not-for-Profit	\$99,366	(\$14,209)	-14.3%	-12.2%	\$1,464	-10.6%
For Profit	\$17,235	(\$2,326)	-13.5%	6.5%	\$152	7.5%
Public	\$39,849	(\$4,314)	-10.8%	-12.7%	\$418	-11.2%
New England	\$9,335	(\$1,081)	-11.6%	-18.4%	\$153	-16.5%
Middle Atlantic	\$10,713	(\$925)	-8.6%	-5.4%	\$149	-3.2%
South Atlantic	\$29,955	(\$3,283)	-11.0%	-7.7%	\$299	-6.3%
East North Central	\$24,694	(\$2,581)	-10.5%	-14.5%	\$311	-12.5%
East South Central	\$22,278	(\$2,467)	-11.1%	-1.3%	\$166	-0.3%
West North Central	\$21,732	(\$2,161)	-9.9%	-20.4%	\$316	-18.2%
West South Central	\$18,721	(\$2,381)	-12.7%	-4.7%	\$137	-3.8%
Mountain	\$9,578	(\$969)	-10.1%	-9.6%	\$127	-7.8%
Pacific	\$9,445	(\$909)	-9.6%	-10.3%	\$111	-8.6%
Non-DSH	\$35,387	(\$969)	-2.7%	-9.6%	\$127	-7.8%
DSH	\$121,064	(\$909)	-0.8%	-11.3%	\$111	-9.6%
Less than 50 Beds	\$25,571	(\$3,152)	-12.3%	-15.8%	\$367	-14.1%
50 to 99 Beds	\$38,366	(\$4,523)	-11.8%	-9.2%	\$494	-7.6%
100 to 199 Beds	\$52,966	(\$5,594)	-10.6%	-9.0%	\$556	-7.3%
200 to 499 Beds	\$37,175	(\$3,304)	-8.9%	-8.5%	\$331	-7.2%
500 Beds or More	\$2,373	(\$183)	-7.7%	-8.9%	\$21	-7.7%

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins By Type of Rural Hospital

With Costs Increasing at Market Basket

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$397	(\$31)	-7.7%	-31.9%	\$5	-30.8%	-6.4%
15 to 24 Beds	\$3,010	(\$376)	-12.5%	-20.4%	\$53	-18.4%	-10.7%
25 to 50 Beds	\$22,126	(\$2,743)	-12.4%	-15.0%	\$312	-13.3%	-11.0%
51 to 99 Beds	\$38,377	(\$4,532)	-11.8%	-9.2%	\$494	-7.6%	-10.5%
100 Beds or More	\$92,541	(\$9,074)	-9.8%	-8.8%	\$905	-7.2%	-8.8%
Average Daily Census: < or = 11							
Average Daily Census: < or = 11	\$16,950	(\$2,192)	-12.9%	-17.5%	\$270	-15.7%	-11.3%
Average Daily Census: 12 to 20	\$20,357	(\$2,542)	-12.5%	-15.0%	\$303	-13.0%	-11.0%
Average Daily Census: 21 or More	\$116,037	(\$11,761)	-10.1%	-8.4%	\$1,210	-6.8%	-9.1%
Unknown ADC	\$3,106	(\$261)	-8.4%	0.2%	(\$13)	-0.5%	-8.8%
Non-Sole Community Hospital	\$125,255	(\$13,180)	-10.5%	-9.3%	\$1,305	-7.9%	-9.5%
Sole Community Hospital	\$31,195	(\$3,576)	-11.5%	-12.7%	\$464	-10.6%	-10.0%
Non-Medicare Dependant Hospital	\$145,127	(\$15,420)	-10.6%	-9.9%	\$1,500	-8.5%	-9.6%
Medicare Dependant Hospital	\$11,324	(\$1,335)	-11.8%	-11.7%	\$269	-7.8%	-9.4%
Non-Critical Access Hospital	\$155,573	(\$16,712)	-10.7%	-10.0%	\$1,769	-8.4%	-9.6%
Critical Access Hospital	\$877	(\$43)	-5.0%	-8.9%	(\$0)	-9.0%	-5.0%
Average Daily Census: < or = 11							
Less than 15 Beds	\$282	(\$21)	-7.6%	-37.3%	\$4	-36.1%	-6.3%
15 to 24 Beds	\$2,536	(\$332)	-13.1%	-22.7%	\$50	-20.5%	-11.1%
25 to 50 Beds	\$7,981	(\$1,100)	-13.8%	-15.5%	\$131	-13.6%	-12.1%
51 to 99 Beds	\$4,283	(\$523)	-12.2%	-17.5%	\$63	-15.9%	-10.8%
100 Beds or More	\$1,827	(\$209)	-11.4%	-16.7%	\$23	-14.8%	-10.2%
Average Daily Census: 12 to 20							
Less than 15 Beds	\$57	(\$6)	-11.4%	-0.1%	\$0	0.9%	-10.8%
15 to 24 Beds	\$352	(\$60)	-17.1%	-2.7%	\$144	-1.6%	23.8%
25 to 50 Beds	\$9,853	(\$1,148)	-11.6%	-17.5%	\$116	-15.4%	-10.5%
51 to 99 Beds	\$7,634	(\$1,011)	-13.2%	-11.1%	\$33	-9.3%	-12.8%
100 Beds or More	\$2,540	(\$284)	-11.2%	-15.7%	\$0	-13.6%	-11.2%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$3,807	(\$343)	-9.0%	-8.8%	\$50	-7.1%	-7.7%
51 to 99 Beds	\$25,573	(\$2,904)	-11.4%	-7.9%	\$320	-6.2%	-10.1%
100 Beds or More	\$86,625	(\$8,567)	-9.9%	-8.6%	\$836	-7.1%	-8.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.

2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in Rural Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$10,648	\$11,211	\$11,522	\$11,841	\$12,157	\$12,495	\$12,855	\$60,871	\$82,729
Post-BBA Payments	\$10,241	\$10,673	\$10,768	\$10,911	\$11,095	\$11,435	\$11,766	\$55,975	\$76,889
BBA Dollar Impact	(\$407)	(\$538)	(\$754)	(\$930)	(\$1,062)	(\$1,060)	(\$1,089)	(\$4,895)	(\$5,840)
Percent Impact	-3.8%	-4.8%	-6.5%	-7.9%	-8.7%	-8.5%	-8.5%	-8.0%	-7.1%
Post-BBA Costs	\$9,414	\$9,891	\$10,165	\$10,440	\$10,733	\$11,046	\$11,379	\$53,763	\$73,067
Post-BBA Margin	8.1%	7.3%	5.6%	4.3%	3.3%	3.4%	3.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$10,241	\$10,673	\$10,772	\$10,982	\$11,161	\$11,501	\$11,834	\$56,251	\$77,165
Post-BBRA Costs	\$9,414	\$9,891	\$10,165	\$10,440	\$10,733	\$11,046	\$11,379	\$53,763	\$73,067
Post-BBRA Margin	8.1%	7.3%	5.6%	4.9%	3.8%	4.0%	3.8%		
BBRA Relief Payments	-	-	\$4	\$71	\$66	\$66	\$68	\$275	\$275
Remaining BBA Impact after BBRA									
Dollar Impact	(\$407)	(\$538)	(\$750)	(\$859)	(\$996)	(\$994)	(\$1,021)	(\$4,620)	(\$5,565)
Percent Impact	-3.8%	-4.8%	-6.5%	-7.3%	-8.2%	-8.0%	-7.9%	-7.6%	-6.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$82,729	(\$5,840)	-7.1%	3.3%	\$275	3.8%
Non-Teaching	\$71,478	(\$5,013)	-7.0%	2.8%	\$231	3.4%
Teaching	\$11,252	(\$827)	-7.4%	6.3%	\$45	6.8%
Not-for-Profit	\$50,931	(\$3,545)	-7.0%	2.4%	\$174	3.0%
For Profit	\$9,686	(\$891)	-9.2%	14.8%	\$25	15.2%
Public	\$22,112	(\$1,403)	-6.3%	0.4%	\$77	1.0%
New England	\$2,821	(\$226)	-8.0%	-10.8%	\$8	-10.5%
Middle Atlantic	\$6,523	(\$423)	-6.5%	2.1%	\$48	3.3%
South Atlantic	\$17,594	(\$1,361)	-7.7%	3.7%	\$28	3.9%
East North Central	\$12,333	(\$846)	-6.9%	-1.6%	\$38	-1.1%
East South Central	\$12,337	(\$879)	-7.1%	9.4%	\$15	9.6%
West North Central	\$11,109	(\$625)	-5.6%	1.1%	\$59	2.0%
West South Central	\$9,871	(\$759)	-7.7%	9.1%	\$42	9.8%
Mountain	\$4,885	(\$331)	-6.8%	2.8%	\$20	3.5%
Pacific	\$5,255	(\$390)	-7.4%	2.6%	\$17	3.2%
Non-DSH	\$19,511	(\$1,460)	-7.5%	7.2%	\$38	7.5%
DSH	\$63,218	(\$4,380)	-6.9%	2.1%	\$237	2.7%
Less than 50 Beds	\$7,531	(\$459)	-6.1%	3.3%	\$49	4.4%
50 to 99 Beds	\$16,647	(\$1,236)	-7.4%	2.9%	\$79	3.7%
100 to 199 Beds	\$31,614	(\$2,257)	-7.1%	4.5%	\$96	5.1%
200 to 499 Beds	\$25,932	(\$1,832)	-7.1%	2.1%	\$49	2.4%
500 Beds or More	\$1,004	(\$56)	-5.5%	2.0%	\$3	2.5%

The Impact of the BBA and BBRA: 1998 to 2004
Medicare Hospital Payments and Margins for Inpatient PPS Services by Type of Rural Hospital
 With Costs Increasing at Market Basket

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$122	(\$6)	-4.5%	39.0%	\$0	39.1%	-4.4%
15 to 24 Beds	\$561	(\$36)	-6.3%	-4.2%	\$3	-3.1%	-5.7%
25 to 50 Beds	\$6,848	(\$418)	-6.1%	3.3%	\$45	4.4%	-5.4%
51 to 99 Beds	\$16,647	(\$1,236)	-7.4%	2.9%	\$79	3.7%	-7.0%
100 Beds or More	\$58,551	(\$4,144)	-7.1%	3.4%	\$148	3.8%	-6.8%
Average Daily Census: < or = 11	\$7,397	(\$467)	-6.3%	3.3%	\$38	4.2%	-5.8%
Average Daily Census: 12 to 20	\$10,151	(\$696)	-6.9%	2.5%	\$55	3.5%	-6.3%
Average Daily Census: 21 or More	\$65,181	(\$4,676)	-7.2%	3.4%	\$182	3.9%	-6.9%
Unknown ADC	\$0	\$0	-	-	\$0	-	-
Non-Sole Community Hospital	\$57,283	(\$3,968)	-6.9%	2.9%	\$135	3.3%	-6.7%
Sole Community Hospital	\$25,446	(\$1,872)	-7.4%	4.1%	\$141	5.0%	-6.8%
Non-Medicare Dependant Hospital	\$76,735	(\$5,515)	-7.2%	3.2%	\$149	3.5%	-7.0%
Medicare Dependant Hospital	\$5,994	(\$325)	-5.4%	4.1%	\$126	7.6%	-3.3%
Non-Critical Access Hospital	\$82,341	(\$5,839)	-7.1%	3.3%	\$275	3.9%	-6.8%
Critical Access Hospital	\$388	(\$1)	-0.2%	0.0%	\$0	0.0%	-0.2%
Average Daily Census: < or = 11							
Less than 15 Beds	\$118	(\$5)	-4.4%	42.3%	\$0	42.5%	-4.3%
15 to 24 Beds	\$539	(\$34)	-6.2%	-6.6%	\$3	-5.4%	-5.6%
25 to 50 Beds	\$3,572	(\$226)	-6.3%	2.9%	\$24	4.0%	-5.7%
51 to 99 Beds	\$2,271	(\$150)	-6.6%	4.5%	\$8	5.0%	-6.3%
100 Beds or More	\$898	(\$53)	-5.9%	2.7%	\$3	3.3%	-5.5%
Average Daily Census: 12 to 20							
Less than 15 Beds	\$4	(\$0)	-8.4%	-67.1%	\$0	-67.1%	-8.4%
15 to 24 Beds	\$23	(\$2)	-8.7%	51.1%	\$0	51.2%	-8.7%
25 to 50 Beds	\$2,539	(\$154)	-6.1%	4.0%	\$17	5.2%	-5.4%
51 to 99 Beds	\$5,441	(\$398)	-7.3%	0.7%	\$27	1.6%	-6.8%
100 Beds or More	\$2,144	(\$142)	-6.6%	5.0%	\$11	5.9%	-6.1%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$736	(\$38)	-5.2%	2.5%	\$5	3.5%	-4.6%
51 to 99 Beds	\$8,936	(\$688)	-7.7%	3.8%	\$45	4.6%	-7.2%
100 Beds or More	\$55,509	(\$3,950)	-7.1%	3.4%	\$133	3.7%	-6.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in Rural Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$3,007	\$3,238	\$3,299	\$3,359	\$3,423	\$3,491	\$3,564	\$17,136	\$23,381
Post-BBA Payments	\$2,756	\$2,810	\$2,805	\$2,689	\$2,740	\$2,795	\$2,854	\$13,884	\$19,450
BBA Dollar Impact	(\$251)	(\$428)	(\$495)	(\$670)	(\$682)	(\$696)	(\$710)	(\$3,253)	(\$3,932)
Percent Impact	-8.3%	-13.2%	-15.0%	-19.9%	-19.9%	-19.9%	-19.9%	-19.0%	-16.8%
Post-BBA Costs	\$3,295	\$3,374	\$3,472	\$3,569	\$3,672	\$3,783	\$3,900	\$18,396	\$25,065
Post-BBA Margin	-19.5%	-20.1%	-23.8%	-32.7%	-34.0%	-35.3%	-36.6%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$2,756	\$2,810	\$2,877	\$2,982	\$3,028	\$3,072	\$3,032	\$14,991	\$20,557
Post-BBRA Costs	\$3,295	\$3,374	\$3,472	\$3,569	\$3,672	\$3,783	\$3,900	\$18,396	\$25,065
Post-BBRA Margin	-19.5%	-20.1%	-20.7%	-19.7%	-21.3%	-23.1%	-28.6%		
BBRA Relief Payments	-	-	\$72	\$293	\$288	\$277	\$178	\$1,107	\$1,107
Remaining BBA Impact after BBRA									
Dollar Impact	(\$251)	(\$428)	(\$423)	(\$377)	(\$395)	(\$419)	(\$532)	(\$2,145)	(\$2,824)
Percent Impact	-8.3%	-13.2%	-12.8%	-11.2%	-11.5%	-12.0%	-14.9%	-12.5%	-12.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Rural	\$23,381	(\$3,932)	-16.8%	-36.6%	\$1,107	-28.6%
Non-Teaching	\$20,722	(\$3,522)	-17.0%	-37.2%	\$984	-29.2%
Teaching	\$2,660	(\$410)	-15.4%	-32.4%	\$123	-24.0%
Not-for-Profit	\$14,177	(\$2,361)	-16.7%	-35.7%	\$677	-27.5%
For Profit	\$2,087	(\$379)	-18.2%	-37.1%	\$112	-27.9%
Public	\$7,117	(\$1,192)	-16.7%	-38.4%	\$319	-31.1%
New England	\$984	(\$214)	-21.7%	-51.0%	\$61	-41.2%
Middle Atlantic	\$1,666	(\$213)	-12.8%	-27.3%	\$75	-19.0%
South Atlantic	\$4,306	(\$769)	-17.9%	-35.8%	\$206	-27.4%
East North Central	\$3,980	(\$656)	-16.5%	-34.8%	\$184	-26.5%
East South Central	\$2,782	(\$472)	-17.0%	-34.7%	\$130	-26.4%
West North Central	\$4,281	(\$744)	-17.4%	-39.3%	\$198	-32.0%
West South Central	\$2,482	(\$392)	-15.8%	-40.3%	\$115	-33.1%
Mountain	\$1,461	(\$241)	-16.5%	-37.7%	\$71	-30.0%
Pacific	\$1,441	(\$231)	-16.0%	-35.4%	\$67	-27.5%
Non-DSH	\$4,711	(\$866)	-18.4%	-38.2%	\$213	-29.8%
DSH	\$18,671	(\$3,065)	-16.4%	-36.3%	\$894	-28.3%
Less than 50 Beds	\$2,879	(\$509)	-17.7%	-43.5%	\$149	-37.1%
50 to 99 Beds	\$5,449	(\$971)	-17.8%	-41.8%	\$295	-33.9%
100 to 199 Beds	\$8,378	(\$1,520)	-18.1%	-38.3%	\$378	-29.6%
200 to 499 Beds	\$6,452	(\$903)	-14.0%	-28.5%	\$276	-20.6%
500 Beds or More	\$222	(\$29)	-13.2%	-11.4%	\$9	-6.1%

The Impact of the BBA and BBRA: 1998 to 2004
Medicare Hospital Payments and Margins for Outpatient Services by Type of Rural Hospital
 With Costs Increasing at Market Basket

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$31	(\$5)	-17.3%	-64.7%	\$2	-58.1%	-10.9%
15 to 24 Beds	\$260	(\$44)	-17.0%	-47.0%	\$14	-41.7%	-11.8%
25 to 50 Beds	\$2,588	(\$459)	-17.7%	-42.9%	\$134	-36.4%	-12.6%
51 to 99 Beds	\$5,449	(\$971)	-17.8%	-41.8%	\$295	-33.9%	-12.4%
100 Beds or More	\$15,053	(\$2,452)	-16.3%	-33.5%	\$663	-25.2%	-11.9%
Average Daily Census: < or = 11	\$3,197	(\$582)	-18.2%	-44.8%	\$168	-38.4%	-13.0%
Average Daily Census: 12 to 20	\$3,462	(\$676)	-19.5%	-45.0%	\$189	-36.6%	-14.1%
Average Daily Census: 21 or More	\$16,420	(\$2,651)	-16.1%	-34.1%	\$745	-25.7%	-11.6%
Unknown ADC	\$302	(\$23)	-7.5%	-7.4%	\$6	-5.1%	-5.5%
Non-Sole Community Hospital	\$16,051	(\$2,530)	-15.8%	-33.3%	\$733	-25.5%	-11.2%
Sole Community Hospital	\$7,330	(\$1,401)	-19.1%	-44.4%	\$374	-36.0%	-14.0%
Non-Medicare Dependant Hospital	\$21,321	(\$3,561)	-16.7%	-36.3%	\$1,004	-28.2%	-12.0%
Medicare Dependant Hospital	\$2,060	(\$371)	-18.0%	-39.9%	\$103	-32.7%	-13.0%
Non-Critical Access Hospital	\$23,208	(\$3,945)	-17.0%	-37.0%	\$1,107	-28.9%	-12.2%
Critical Access Hospital	\$173	\$13	7.6%	0.0%	\$0	0.0%	7.6%
Average Daily Census: < or = 11							
Less than 15 Beds	\$28	(\$6)	-20.1%	-62.9%	\$2	-56.0%	-13.5%
15 to 24 Beds	\$221	(\$42)	-19.2%	-53.2%	\$13	-46.9%	-13.2%
25 to 50 Beds	\$1,526	(\$277)	-18.1%	-45.7%	\$82	-39.6%	-12.8%
51 to 99 Beds	\$1,006	(\$186)	-18.5%	-43.6%	\$56	-36.9%	-12.9%
100 Beds or More	\$416	(\$72)	-17.3%	-38.8%	\$15	-32.4%	-13.6%
Average Daily Census: 12 to 20							
Less than 15 Beds	\$2	(\$0)	-5.3%	-12.2%	\$0	-7.6%	-2.7%
15 to 24 Beds	\$20	(\$2)	-8.1%	-18.6%	\$0	-17.0%	-6.8%
25 to 50 Beds	\$821	(\$148)	-18.1%	-40.6%	\$42	-33.3%	-13.0%
51 to 99 Beds	\$1,850	(\$370)	-20.0%	-47.8%	\$112	-39.1%	-13.9%
100 Beds or More	\$769	(\$155)	-20.2%	-43.8%	\$34	-35.0%	-15.7%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$200	(\$31)	-15.4%	-35.5%	\$10	-29.2%	-10.6%
51 to 99 Beds	\$2,508	(\$408)	-16.3%	-38.0%	\$126	-29.9%	-11.2%
100 Beds or More	\$13,712	(\$2,213)	-16.1%	-33.4%	\$610	-24.9%	-11.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.

2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in Rural Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$1,113	\$1,177	\$1,248	\$1,311	\$1,368	\$1,412	\$1,438	\$6,777	\$9,067
Post-BBA Payments	\$886	\$856	\$891	\$921	\$945	\$946	\$955	\$4,658	\$6,399
BBA Dollar Impact	(\$227)	(\$321)	(\$357)	(\$389)	(\$423)	(\$466)	(\$484)	(\$2,119)	(\$2,668)
Percent Impact	-20.4%	-27.3%	-28.6%	-29.7%	-30.9%	-33.0%	-33.6%	-31.3%	-29.4%
Post-BBA Costs	\$927	\$955	\$987	\$1,012	\$1,032	\$1,045	\$1,050	\$5,126	\$7,007
Post-BBA Margin	-4.6%	-11.6%	-10.8%	-9.8%	-9.2%	-10.5%	-10.0%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$886	\$856	\$896	\$976	\$946	\$963	\$971	\$4,752	\$6,494
Post-BBRA Costs	\$927	\$955	\$987	\$1,012	\$1,032	\$1,045	\$1,050	\$5,126	\$7,007
Post-BBRA Margin	-4.6%	-11.6%	-10.1%	-3.6%	-9.1%	-8.6%	-8.2%		
BBRA Relief Payments	-	-	\$6	\$55	\$1	\$16	\$16	\$94	\$94
Remaining BBA Impact after BBRA									
Dollar Impact	(\$227)	(\$321)	(\$351)	(\$334)	(\$422)	(\$450)	(\$468)	(\$2,025)	(\$2,573)
Percent Impact	-20.4%	-27.3%	-28.1%	-25.5%	-30.8%	-31.8%	-32.5%	-29.9%	-28.4%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Rural Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total Rural	\$9,067	(\$2,668)	-29.4%	-10.0%	\$94	-8.2%
Non-Teaching	\$8,581	(\$2,537)	-29.6%	-9.9%	\$88	-8.1%
Teaching	\$486	(\$130)	-26.9%	-11.8%	\$6	-9.7%
Not-for-Profit	\$4,512	(\$1,216)	-27.0%	-8.3%	\$48	-6.5%
For Profit	\$1,720	(\$597)	-34.7%	-12.0%	\$21	-9.9%
Public	\$2,835	(\$854)	-30.1%	-11.6%	\$26	-9.8%
New England	\$117	(\$34)	-29.2%	-12.6%	\$1	-10.8%
Middle Atlantic	\$366	(\$115)	-31.5%	-11.8%	\$6	-9.0%
South Atlantic	\$1,773	(\$518)	-29.2%	-13.0%	\$23	-10.6%
East North Central	\$1,367	(\$382)	-28.0%	-9.1%	\$14	-7.4%
East South Central	\$1,815	(\$506)	-27.9%	-5.5%	\$16	-3.9%
West North Central	\$1,197	(\$298)	-24.9%	-5.2%	\$11	-3.9%
West South Central	\$1,721	(\$629)	-36.6%	-17.3%	\$17	-15.5%
Mountain	\$457	(\$126)	-27.5%	-5.9%	\$4	-4.7%
Pacific	\$255	(\$59)	-23.1%	-8.1%	\$3	-6.0%
Non-DSH	\$2,263	(\$629)	-27.8%	-5.9%	\$20	-4.4%
DSH	\$6,804	(\$2,038)	-30.0%	-11.5%	\$75	-9.5%
Less than 50 Beds	\$1,601	(\$536)	-33.5%	-14.7%	\$14	-13.1%
50 to 99 Beds	\$2,624	(\$773)	-29.5%	-10.5%	\$26	-8.7%
100 to 199 Beds	\$3,273	(\$949)	-29.0%	-9.5%	\$39	-7.5%
200 to 499 Beds	\$1,456	(\$385)	-26.4%	-6.3%	\$14	-4.4%
500 Beds or More	\$114	(\$25)	-21.8%	-3.3%	\$1	-2.8%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services by Type of Rural Hospital

With Costs Increasing at Market Basket

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	\$9	(\$2)	-21.6%	0.0%	\$0	0.0%	-21.5%
15 to 24 Beds	\$141	(\$48)	-33.8%	-17.7%	\$1	-15.7%	-32.7%
25 to 50 Beds	\$1,451	(\$486)	-33.5%	-14.6%	\$13	-12.9%	-32.6%
51 to 99 Beds	\$2,624	(\$773)	-29.5%	-10.5%	\$26	-8.7%	-28.5%
100 Beds or More	\$4,843	(\$1,359)	-28.1%	-8.4%	\$54	-6.5%	-26.9%
Average Daily Census: < or = 11	\$1,659	(\$530)	-32.0%	-13.2%	\$14	-11.5%	-31.1%
Average Daily Census: 12 to 20	\$1,694	(\$526)	-31.1%	-11.8%	\$15	-10.0%	-30.2%
Average Daily Census: 21 or More	\$5,658	(\$1,590)	-28.1%	-8.5%	\$64	-6.7%	-27.0%
Unknown ADC	\$56	(\$21)	-37.6%	-23.6%	\$1	-19.7%	-35.8%
Non-Sole Community Hospital	\$6,541	(\$1,897)	-29.0%	-10.2%	\$67	-8.4%	-28.0%
Sole Community Hospital	\$2,526	(\$771)	-30.5%	-9.5%	\$28	-7.6%	-29.4%
Non-Medicare Dependant Hospital	\$7,808	(\$2,269)	-29.1%	-9.7%	\$83	-7.9%	-28.0%
Medicare Dependant Hospital	\$1,259	(\$398)	-31.6%	-11.8%	\$11	-10.3%	-30.8%
Non-Critical Access Hospital	\$8,990	(\$2,638)	-29.3%	-9.9%	\$93	-8.1%	-28.3%
Critical Access Hospital	\$77	(\$30)	-39.0%	-19.4%	\$1	-17.0%	-37.8%
Average Daily Census: < or = 11							
Less than 15 Beds	\$2	(\$1)	-21.1%	0.0%	\$0	0.0%	-21.1%
15 to 24 Beds	\$119	(\$39)	-33.2%	-15.5%	\$1	-13.8%	-32.2%
25 to 50 Beds	\$882	(\$312)	-35.3%	-17.5%	\$7	-15.9%	-34.5%
51 to 99 Beds	\$489	(\$132)	-27.0%	-8.6%	\$5	-6.4%	-26.1%
100 Beds or More	\$167	(\$47)	-27.9%	-4.4%	\$1	-3.6%	-27.2%
Average Daily Census: 12 to 20							
Less than 15 Beds	\$2	(\$0)	-21.1%	0.0%	\$0	0.0%	-21.1%
15 to 24 Beds	\$11	(\$6)	-50.1%	-56.6%	\$0	-49.0%	-47.7%
25 to 50 Beds	\$443	(\$134)	-30.3%	-9.9%	\$4	-8.4%	-29.5%
51 to 99 Beds	\$1,002	(\$323)	-32.3%	-13.7%	\$9	-11.8%	-31.3%
100 Beds or More	\$235	(\$62)	-26.5%	-6.3%	\$2	-4.8%	-25.7%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$88	(\$24)	-27.3%	-4.0%	\$1	-2.4%	-26.3%
51 to 99 Beds	\$1,129	(\$317)	-28.0%	-8.6%	\$12	-7.0%	-27.0%
100 Beds or More	\$4,440	(\$1,250)	-28.1%	-8.6%	\$51	-6.7%	-27.0%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.

2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for PPS-Exempt Services in Rural Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$865	\$885	\$912	\$938	\$965	\$993	\$1,022	\$4,829	\$6,579
Post-BBA Payments	\$787	\$805	\$828	\$852	\$876	\$902	\$929	\$4,387	\$5,979
BBA Dollar Impact	(\$78)	(\$81)	(\$84)	(\$86)	(\$88)	(\$91)	(\$94)	(\$443)	(\$601)
Percent Impact	-9.0%	-9.1%	-9.2%	-9.2%	-9.2%	-9.2%	-9.2%	-9.2%	-9.1%
Post-BBA Costs	\$864	\$885	\$912	\$937	\$964	\$992	\$1,022	\$4,828	\$6,577
Post-BBA Margin	-9.8%	-10.0%	-10.1%	-10.1%	-10.1%	-10.1%	-10.1%	-10.1%	-10.1%
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$787	\$805	\$809	\$832	\$856	\$881	\$908	\$4,287	\$5,878
Post-BBRA Costs	\$864	\$885	\$912	\$937	\$964	\$992	\$1,022	\$4,828	\$6,577
Post-BBRA Margin	-9.8%	-10.0%	-12.6%	-12.6%	-12.6%	-12.6%	-12.6%	-12.6%	-12.6%
BBRA Relief Payments	-	-	(\$19)	(\$19)	(\$20)	(\$21)	(\$21)	(\$100)	(\$100)
Remaining BBA Impact after BBRA									
Dollar Impact	(\$78)	(\$81)	(\$102)	(\$105)	(\$108)	(\$112)	(\$115)	(\$543)	(\$701)
Percent Impact	-9.0%	-9.1%	-11.2%	-11.2%	-11.2%	-11.2%	-11.2%	-11.2%	-10.7%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total Rural	\$6,579	(\$601)	-9.1%	-10.1%	(\$100)	-12.6%
Non-Teaching	\$5,867	(\$550)	-9.4%	-10.1%	(\$97)	-12.9%
Teaching	\$712	(\$51)	-7.1%	-9.9%	(\$3)	-10.6%
Not-for-Profit	\$2,426	(\$168)	-6.9%	-6.0%	(\$23)	-7.5%
For Profit	\$1,423	(\$136)	-9.6%	-4.0%	(\$24)	-6.7%
Public	\$2,730	(\$296)	-10.8%	-17.0%	(\$53)	-20.6%
New England	\$336	(\$20)	-5.9%	-6.0%	(\$0)	-6.1%
Middle Atlantic	\$443	(\$27)	-6.1%	-8.8%	(\$2)	-9.7%
South Atlantic	\$1,343	(\$95)	-7.1%	-7.2%	(\$3)	-7.5%
East North Central	\$769	(\$46)	-6.0%	-9.8%	(\$1)	-9.9%
East South Central	\$798	(\$107)	-13.4%	-10.0%	(\$25)	-15.7%
West North Central	\$711	(\$55)	-7.7%	-10.1%	(\$12)	-12.9%
West South Central	\$1,569	(\$211)	-13.4%	-11.8%	(\$57)	-18.6%
Mountain	\$221	(\$13)	-5.9%	-3.6%	(\$0)	-3.7%
Pacific	\$389	(\$27)	-6.9%	-22.5%	\$0	-22.5%
Non-DSH	\$1,671	(\$188)	-11.3%	-12.9%	(\$35)	-16.6%
DSH	\$4,908	(\$413)	-8.4%	-9.1%	(\$66)	-11.3%
Less than 50 Beds	\$765	(\$98)	-12.8%	-10.3%	(\$24)	-16.0%
50 to 99 Beds	\$1,954	(\$222)	-11.4%	-9.2%	(\$47)	-13.4%
100 to 199 Beds	\$1,890	(\$142)	-7.5%	-8.5%	(\$22)	-10.4%
200 to 499 Beds	\$1,868	(\$134)	-7.2%	-8.2%	(\$7)	-8.8%
500 Beds or More	\$101	(\$5)	-4.9%	-85.8%	\$0	-85.8%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for PPS-Exempt Services by Type of Rural Hospital

With Costs Increasing at Market Basket

	Rural Pre-BBA Payments 1998-2004	Rural Dollar Impact of the BBA 1998-2004	Rural Percent Impact of the BBA 1998-2004	Rural Post-BBA Margin in 2004	Rural Relief Payments 1998-2004	Rural Post-BBRA Margin in 2004	Rural Percent Impact After BBRA 1998-2004
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	\$64	(\$3)	-4.6%	-14.9%	\$0	-14.9%	-4.6%
25 to 50 Beds	\$701	(\$95)	-13.6%	-9.8%	(\$24)	-16.1%	-17.0%
51 to 99 Beds	\$1,954	(\$222)	-11.4%	-9.2%	(\$47)	-13.4%	-13.7%
100 Beds or More	\$3,860	(\$281)	-7.3%	-10.4%	(\$29)	-11.7%	-8.0%
Average Daily Census: < or = 11							
Average Daily Census: < or = 11	\$379	(\$56)	-14.8%	-12.6%	(\$17)	-21.5%	-19.4%
Average Daily Census: 12 to 20	\$494	(\$77)	-15.6%	-16.5%	(\$24)	-26.2%	-20.4%
Average Daily Census: 21 or More	\$3,498	(\$296)	-8.4%	-6.6%	(\$42)	-8.5%	-9.6%
Unknown ADC	\$2,208	(\$172)	-7.8%	-13.8%	(\$18)	-15.2%	-8.6%
Non-Sole Community Hospital	\$5,529	(\$512)	-9.3%	-10.4%	(\$83)	-12.9%	-10.8%
Sole Community Hospital	\$1,051	(\$89)	-8.5%	-8.3%	(\$17)	-11.0%	-10.1%
Non-Medicare Dependant Hospital	\$6,300	(\$565)	-9.0%	-10.0%	(\$87)	-12.3%	-10.3%
Medicare Dependant Hospital	\$279	(\$36)	-12.9%	-11.1%	(\$13)	-20.0%	-17.7%
Non-Critical Access Hospital	\$6,543	(\$596)	-9.1%	-10.1%	(\$99)	-12.6%	-10.6%
Critical Access Hospital	\$36	(\$4)	-12.2%	-9.6%	(\$1)	-16.0%	-15.7%
Average Daily Census: < or = 11							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$144	(\$34)	-23.3%	-23.4%	(\$10)	-40.3%	-30.1%
51 to 99 Beds	\$218	(\$22)	-9.9%	-6.9%	(\$8)	-12.9%	-13.4%
100 Beds or More	\$17	(\$1)	-5.6%	-7.4%	-	-7.4%	-5.6%
Average Daily Census: 12 to 20							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$70	(\$17)	-23.7%	-23.9%	(\$5)	-40.6%	-30.4%
51 to 99 Beds	\$314	(\$53)	-16.9%	-16.1%	(\$15)	-26.0%	-21.7%
100 Beds or More	\$110	(\$7)	-6.7%	-13.7%	(\$4)	-19.9%	-10.2%
Average Daily Census: 21 or More							
Less than 15 Beds	-	-	-	-	-	-	-
15 to 24 Beds	-	-	-	-	-	-	-
25 to 50 Beds	\$12	(\$1)	-9.0%	-4.3%	(\$1)	-18.6%	-17.1%
51 to 99 Beds	\$347	(\$63)	-18.1%	-17.0%	(\$16)	-26.7%	-22.7%
100 Beds or More	\$3,139	(\$232)	-7.4%	-5.5%	(\$25)	-6.8%	-8.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

Section IV:

Summary Results for Urban Hospitals with Costs Increasing at Market Basket (MB) and Market Basket Minus One Percentage Point (MB-1)

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for Urban Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$111,481	\$116,737	\$120,167	\$123,434	\$126,771	\$130,281	\$133,957	\$634,610	862,828
Post-BBA Payments	\$104,397	\$105,490	\$106,408	\$107,093	\$109,061	\$112,400	\$115,556	\$550,518	\$760,405
BBA Dollar Impact	(\$7,084)	(\$11,247)	(\$13,760)	(\$16,341)	(\$17,711)	(\$17,882)	(\$18,400)	(\$84,092)	(\$102,423)
Percent Impact	-6.4%	-9.6%	-11.5%	-13.2%	-14.0%	-13.7%	-13.7%	-13.3%	-11.9%
Post-BBA Costs	\$103,136	\$106,899	\$110,012	\$113,133	\$116,484	\$120,075	\$123,931	\$583,635	\$793,670
Post-BBA Margin	1.2%	-1.3%	-3.4%	-5.6%	-6.8%	-6.8%	-7.2%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$104,397	\$105,490	\$107,157	\$109,342	\$110,411	\$113,650	\$116,596	\$557,156	\$767,043
Post-BBRA Costs	\$103,136	\$106,899	\$110,012	\$113,133	\$116,484	\$120,075	\$123,931	\$583,635	\$793,670
Post-BBRA Margin	1.2%	-1.3%	-2.7%	-3.5%	-5.5%	-5.7%	-6.3%		
BBRA Relief Payments	-	-	\$749	\$2,248	\$1,351	\$1,250	\$1,040	\$6,638	\$6,638
Remaining BBA Impact after BBRA									
Dollar Impact	(\$7,084)	(\$11,247)	(\$13,011)	(\$14,092)	(\$16,360)	(\$16,631)	(\$17,361)	(\$77,454)	(\$95,785)
Percent Impact	-6.4%	-9.6%	-10.8%	-11.4%	-12.9%	-12.8%	-13.0%	-12.2%	-11.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in Urban Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$70,806	\$73,919	\$76,087	\$78,148	\$80,242	\$82,475	\$84,851	\$401,803	\$546,527
Post-BBA Payments	\$66,992	\$67,618	\$68,045	\$68,803	\$69,927	\$72,237	\$74,324	\$353,335	\$487,946
BBA Dollar Impact	(\$3,814)	(\$6,300)	(\$8,042)	(\$9,345)	(\$10,315)	(\$10,238)	(\$10,527)	(\$48,467)	(\$58,581)
Percent Impact	-5.4%	-8.5%	-10.6%	-12.0%	-12.9%	-12.4%	-12.4%	-12.1%	-10.7%
Post-BBA Costs	\$57,249	\$59,580	\$61,272	\$62,996	\$64,863	\$66,895	\$69,102	\$325,128	\$441,957
Post-BBA Margin	14.5%	11.9%	10.0%	8.4%	7.2%	7.4%	7.0%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$66,992	\$67,618	\$68,362	\$69,322	\$69,976	\$72,243	\$74,330	\$354,234	\$488,844
Post-BBRA Costs	\$57,249	\$59,580	\$61,272	\$62,996	\$64,863	\$66,895	\$69,102	\$325,128	\$441,957
Post-BBRA Margin	14.5%	11.9%	10.4%	9.1%	7.3%	7.4%	7.0%		
BBRA Relief Payments	-	-	\$317	\$520	\$49	\$6	\$6	\$898	\$898
Remaining BBA Impact after BBRA									
Dollar Impact	(\$3,814)	(\$6,300)	(\$7,724)	(\$8,825)	(\$10,266)	(\$10,233)	(\$10,521)	(\$47,569)	(\$57,683)
Percent Impact	-5.4%	-8.5%	-10.2%	-11.3%	-12.8%	-12.4%	-12.4%	-11.8%	-10.6%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in Urban Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$11,636	\$12,524	\$12,762	\$12,992	\$13,238	\$13,503	\$13,787	\$66,282	\$90,442
Post-BBA Payments	\$10,737	\$10,929	\$10,949	\$10,641	\$10,843	\$11,060	\$11,293	\$54,786	\$76,452
BBA Dollar Impact	(\$899)	(\$1,595)	(\$1,813)	(\$2,350)	(\$2,395)	(\$2,443)	(\$2,494)	(\$11,495)	(\$13,990)
Percent Impact	-7.7%	-12.7%	-14.2%	-18.1%	-18.1%	-18.1%	-18.1%	-17.3%	-15.5%
Post-BBA Costs	\$12,801	\$13,108	\$13,488	\$13,866	\$14,268	\$14,696	\$15,151	\$71,469	\$97,378
Post-BBA Margin	-19.2%	-19.9%	-23.2%	-30.3%	-31.6%	-32.9%	-34.2%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$10,737	\$10,929	\$11,219	\$11,743	\$11,894	\$12,016	\$12,071	\$58,943	\$80,609
Post-BBRA Costs	\$12,801	\$13,108	\$13,488	\$13,866	\$14,268	\$14,696	\$15,151	\$71,469	\$97,378
Post-BBRA Margin	-19.2%	-19.9%	-20.2%	-18.1%	-20.0%	-22.3%	-25.5%		
BBRA Relief Payments	-	-	\$270	\$1,101	\$1,050	\$956	\$779	\$4,157	\$4,157
Remaining BBA Impact after BBRA									
Dollar Impact	(\$899)	(\$1,595)	(\$1,542)	(\$1,249)	(\$1,345)	(\$1,487)	(\$1,715)	(\$7,339)	(\$9,833)
Percent Impact	-7.7%	-12.7%	-12.1%	-9.6%	-10.2%	-11.0%	-12.4%	-11.1%	-10.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in Urban Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$3,144	\$3,346	\$3,573	\$3,789	\$4,000	\$4,190	\$4,342	\$19,893	\$26,383
Post-BBA Payments	\$2,477	\$2,420	\$2,541	\$2,465	\$2,566	\$2,603	\$2,682	\$12,858	\$17,755
BBA Dollar Impact	(\$667)	(\$926)	(\$1,033)	(\$1,324)	(\$1,433)	(\$1,586)	(\$1,659)	(\$7,035)	(\$8,628)
Percent Impact	-21.2%	-27.7%	-28.9%	-34.9%	-35.8%	-37.9%	-38.2%	-35.4%	-32.7%
Post-BBA Costs	\$2,631	\$2,731	\$2,849	\$2,952	\$3,051	\$3,139	\$3,215	\$15,205	\$20,568
Post-BBA Margin	-6.2%	-12.9%	-12.1%	-19.8%	-18.9%	-20.6%	-19.9%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$2,477	\$2,420	\$2,561	\$2,699	\$2,575	\$2,666	\$2,746	\$13,247	\$18,145
Post-BBRA Costs	\$2,631	\$2,731	\$2,849	\$2,952	\$3,051	\$3,139	\$3,215	\$15,205	\$20,568
Post-BBRA Margin	-6.2%	-12.9%	-11.2%	-9.4%	-18.5%	-17.7%	-17.1%		
BBRA Relief Payments	-	-	\$20	\$234	\$9	\$63	\$63	\$390	\$390
Remaining BBA Impact after BBRA									
Dollar Impact	(\$667)	(\$926)	(\$1,012)	(\$1,089)	(\$1,424)	(\$1,524)	(\$1,596)	(\$6,646)	(\$8,238)
Percent Impact	-21.2%	-27.7%	-28.3%	-28.8%	-35.6%	-36.4%	-36.8%	-33.4%	-31.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for PPS-Exempt Services in Urban Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$7,184	\$7,356	\$7,577	\$7,789	\$8,015	\$8,247	\$8,495	\$40,124	\$54,664
Post-BBA Payments	\$6,669	\$6,818	\$7,014	\$7,211	\$7,420	\$7,635	\$7,864	\$37,143	\$50,630
BBA Dollar Impact	(\$514)	(\$538)	(\$563)	(\$579)	(\$595)	(\$613)	(\$631)	(\$2,981)	(\$4,034)
Percent Impact	-7.2%	-7.3%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%
Post-BBA Costs	\$6,938	\$7,104	\$7,317	\$7,522	\$7,740	\$7,965	\$8,204	\$38,748	\$52,790
Post-BBA Margin	-4.0%	-4.2%	-4.3%	-4.3%	-4.3%	-4.3%	-4.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$6,669	\$6,818	\$7,029	\$7,226	\$7,435	\$7,651	\$7,881	\$37,222	\$50,710
Post-BBRA Costs	\$6,938	\$7,104	\$7,317	\$7,522	\$7,740	\$7,965	\$8,204	\$38,748	\$52,790
Post-BBRA Margin	-4.0%	-4.2%	-4.1%	-4.1%	-4.1%	-4.1%	-4.1%		
BBRA Relief Payments	-	-	\$15	\$15	\$16	\$16	\$17	\$79	\$79
Remaining BBA Impact after BBRA									
Dollar Impact	(\$514)	(\$538)	(\$548)	(\$563)	(\$580)	(\$596)	(\$614)	(\$2,901)	(\$3,954)
Percent Impact	-7.2%	-7.3%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for Urban Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$111,449	\$116,635	\$119,990	\$123,177	\$126,431	\$129,853	\$133,436	\$632,885	\$860,969
Post-BBA Payments	\$104,397	\$105,426	\$106,277	\$106,891	\$108,784	\$112,045	\$115,119	\$549,117	\$758,940
BBA Dollar Impact	(\$7,052)	(\$11,208)	(\$13,713)	(\$16,285)	(\$17,646)	(\$17,807)	(\$18,317)	(\$83,769)	(\$102,029)
Percent Impact	-6.3%	-9.6%	-11.4%	-13.2%	-14.0%	-13.7%	-13.7%	-13.2%	-11.9%
Post-BBA Costs	\$103,136	\$105,973	\$108,116	\$110,224	\$112,513	\$114,989	\$117,673	\$563,517	\$772,626
Post-BBA Margin	1.2%	-0.5%	-1.7%	-3.1%	-3.4%	-2.6%	-2.2%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$104,397	\$105,426	\$107,025	\$109,139	\$110,133	\$113,293	\$116,154	\$555,744	\$765,567
Post-BBRA Costs	\$103,136	\$105,973	\$108,116	\$110,224	\$112,513	\$114,989	\$117,673	\$563,517	\$772,626
Post-BBRA Margin	1.2%	-0.5%	-1.0%	-1.0%	-2.2%	-1.5%	-1.3%		
BBRA Relief Payments	-	-	\$748	\$2,247	\$1,349	\$1,247	\$1,036	\$6,627	\$6,627
Remaining BBA Impact after BBRA									
Dollar Impact	(\$7,052)	(\$11,208)	(\$12,965)	(\$14,038)	(\$16,298)	(\$16,560)	(\$17,282)	(\$77,142)	(\$95,402)
Percent Impact	-6.3%	-9.6%	-10.8%	-11.4%	-12.9%	-12.8%	-13.0%	-12.2%	-11.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in Urban Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$70,806	\$73,919	\$76,087	\$78,148	\$80,242	\$82,475	\$84,851	\$401,803	\$546,527
Post-BBA Payments	\$66,992	\$67,618	\$68,045	\$68,803	\$69,927	\$72,237	\$74,324	\$353,335	\$487,946
BBA Dollar Impact	(\$3,814)	(\$6,300)	(\$8,042)	(\$9,345)	(\$10,315)	(\$10,238)	(\$10,527)	(\$48,467)	(\$58,581)
Percent Impact	-5.4%	-8.5%	-10.6%	-12.0%	-12.9%	-12.4%	-12.4%	-12.1%	-10.7%
Post-BBA Costs	\$57,249	\$59,059	\$60,209	\$61,366	\$62,639	\$64,046	\$65,596	\$313,856	\$430,164
Post-BBA Margin	14.5%	12.7%	11.5%	10.8%	10.4%	11.3%	11.7%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$66,992	\$67,618	\$68,362	\$69,322	\$69,976	\$72,243	\$74,330	\$354,234	\$488,844
Post-BBRA Costs	\$57,249	\$59,059	\$60,209	\$61,366	\$62,639	\$64,046	\$65,596	\$313,856	\$430,164
Post-BBRA Margin	14.5%	12.7%	11.9%	11.5%	10.5%	11.3%	11.8%		
BBRA Relief Payments	-	-	\$317	\$520	\$49	\$6	\$6	\$898	\$898
Remaining BBA Impact after BBRA									
Dollar Impact	(\$3,814)	(\$6,300)	(\$7,724)	(\$8,825)	(\$10,266)	(\$10,233)	(\$10,521)	(\$47,569)	(\$57,683)
Percent Impact	-5.4%	-8.5%	-10.2%	-11.3%	-12.8%	-12.4%	-12.4%	-11.8%	-10.6%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in Urban Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$11,636	\$12,524	\$12,762	\$12,992	\$13,238	\$13,503	\$13,787	\$66,282	\$90,442
Post-BBA Payments	\$10,737	\$10,929	\$10,949	\$10,641	\$10,843	\$11,060	\$11,292	\$54,786	\$76,452
BBA Dollar Impact	(\$899)	(\$1,595)	(\$1,813)	(\$2,350)	(\$2,395)	(\$2,443)	(\$2,494)	(\$11,496)	(\$13,990)
Percent Impact	-7.7%	-12.7%	-14.2%	-18.1%	-18.1%	-18.1%	-18.1%	-17.3%	-15.5%
Post-BBA Costs	\$12,676	\$12,854	\$13,098	\$13,334	\$13,587	\$13,859	\$14,150	\$68,026	\$93,556
Post-BBA Margin	-18.1%	-17.6%	-19.6%	-25.3%	-25.3%	-25.3%	-25.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$10,737	\$10,929	\$11,219	\$11,742	\$11,894	\$12,016	\$12,071	\$58,943	\$80,608
Post-BBRA Costs	\$12,676	\$12,854	\$13,098	\$13,334	\$13,587	\$13,859	\$14,150	\$68,026	\$93,556
Post-BBRA Margin	-18.1%	-17.6%	-16.7%	-13.5%	-14.2%	-15.3%	-17.2%		
BBRA Relief Payments	-	-	\$270	\$1,101	\$1,050	\$956	\$779	\$4,157	\$4,157
Remaining BBA Impact after BBRA									
Dollar Impact	(\$899)	(\$1,595)	(\$1,543)	(\$1,249)	(\$1,345)	(\$1,487)	(\$1,715)	(\$7,339)	(\$9,833)
Percent Impact	-7.7%	-12.7%	-12.1%	-9.6%	-10.2%	-11.0%	-12.4%	-11.1%	-10.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in Urban Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$3,144	\$3,346	\$3,573	\$3,789	\$4,000	\$4,190	\$4,342	\$19,893	\$26,383
Post-BBA Payments	\$2,477	\$2,420	\$2,541	\$2,465	\$2,566	\$2,603	\$2,682	\$12,858	\$17,755
BBA Dollar Impact	(\$667)	(\$926)	(\$1,033)	(\$1,324)	(\$1,433)	(\$1,586)	(\$1,659)	(\$7,035)	(\$8,628)
Percent Impact	-21.2%	-27.7%	-28.9%	-34.9%	-35.8%	-37.9%	-38.2%	-35.4%	-32.7%
Post-BBA Costs	\$2,631	\$2,731	\$2,849	\$2,952	\$3,051	\$3,139	\$3,215	\$15,205	\$20,568
Post-BBA Margin	-6.2%	-12.9%	-12.1%	-19.8%	-18.9%	-20.6%	-19.9%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$2,477	\$2,420	\$2,561	\$2,699	\$2,575	\$2,666	\$2,746	\$13,247	\$18,145
Post-BBRA Costs	\$2,631	\$2,731	\$2,849	\$2,952	\$3,051	\$3,139	\$3,215	\$15,205	\$20,568
Post-BBRA Margin	-6.2%	-12.9%	-11.2%	-9.4%	-18.5%	-17.7%	-17.1%		
BBRA Relief Payments	-	-	\$20	\$234	\$9	\$63	\$63	\$390	\$390
Remaining BBA Impact after BBRA									
Dollar Impact	(\$667)	(\$926)	(\$1,012)	(\$1,089)	(\$1,424)	(\$1,524)	(\$1,596)	(\$6,646)	(\$8,238)
Percent Impact	-21.2%	-27.7%	-28.3%	-28.8%	-35.6%	-36.4%	-36.8%	-33.4%	-31.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for PPS-Exempt Services in Urban Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$7,126	\$7,239	\$7,396	\$7,541	\$7,696	\$7,855	\$8,024	\$38,511	\$52,876
Post-BBA Payments	\$6,640	\$6,736	\$6,876	\$7,013	\$7,159	\$7,309	\$7,467	\$35,824	\$49,199
BBA Dollar Impact	(\$486)	(\$503)	(\$520)	(\$528)	(\$537)	(\$546)	(\$557)	(\$2,688)	(\$3,677)
Percent Impact	-6.8%	-6.9%	-7.0%	-7.0%	-7.0%	-6.9%	-6.9%	-7.0%	-7.0%
Post-BBA Costs	\$6,870	\$6,966	\$7,106	\$7,233	\$7,371	\$7,511	\$7,661	\$36,882	\$50,718
Post-BBA Margin	-3.5%	-3.4%	-3.3%	-3.1%	-3.0%	-2.8%	-2.6%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$6,640	\$6,736	\$6,890	\$7,027	\$7,173	\$7,322	\$7,480	\$35,892	\$49,268
Post-BBRA Costs	\$6,870	\$6,966	\$7,106	\$7,233	\$7,371	\$7,511	\$7,661	\$36,882	\$50,718
Post-BBRA Margin	-3.5%	-3.4%	-3.1%	-2.9%	-2.8%	-2.6%	-2.4%		
BBRA Relief Payments	-	-	\$14	\$14	\$14	\$13	\$13	\$68	\$68
Remaining BBA Impact after BBRA									
Dollar Impact	(\$486)	(\$503)	(\$506)	(\$514)	(\$523)	(\$532)	(\$544)	(\$2,619)	(\$3,609)
Percent Impact	-6.8%	-6.9%	-6.8%	-6.8%	-6.8%	-6.8%	-6.8%	-6.8%	-6.8%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

Section V:

Detailed Results for All Hospitals with Costs Increasing at
Market Basket Minus One Percentage Point (MB-1)

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for All Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$131,538	\$137,833	\$141,783	\$145,559	\$149,400	\$153,428	\$157,629	\$747,800	\$1,017,171
Post-BBA Payments	\$123,247	\$124,855	\$125,885	\$126,593	\$128,841	\$132,637	\$136,248	\$650,204	\$898,307
BBA Dollar Impact	(\$8,291)	(\$12,978)	(\$15,898)	(\$18,966)	(\$20,559)	(\$20,791)	(\$21,381)	(\$97,595)	(\$118,864)
Percent Impact	-6.3%	-9.4%	-11.2%	-13.0%	-13.8%	-13.6%	-13.6%	-13.1%	-11.7%
Post-BBA Costs	\$122,632	\$126,106	\$128,649	\$131,137	\$133,826	\$136,721	\$139,841	\$670,174	\$918,912
Post-BBA Margin	0.5%	-1.0%	-2.2%	-3.6%	-3.9%	-3.1%	-2.6%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$123,247	\$124,855	\$126,719	\$129,352	\$130,612	\$134,312	\$137,590	\$658,584	\$906,686
Post-BBRA Costs	\$122,632	\$126,106	\$128,649	\$131,137	\$133,826	\$136,721	\$139,841	\$670,174	\$918,912
Post-BBRA Margin	0.5%	-1.0%	-1.5%	-1.4%	-2.5%	-1.8%	-1.6%		
BBRA Relief Payments	-	-	\$834	\$2,758	\$1,771	\$1,674	\$1,343	\$8,380	\$8,380
Remaining BBA Impact after BBRA									
Dollar Impact	(\$8,291)	(\$12,978)	(\$15,065)	(\$16,208)	(\$18,788)	(\$19,116)	(\$20,039)	(\$89,215)	(\$110,485)
Percent Impact	-6.3%	-9.4%	-10.6%	-11.1%	-12.6%	-12.5%	-12.7%	-11.9%	-10.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.

2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$1,017,171	(\$118,864)	-11.7%	-2.6%	\$8,380	-1.6%
Rural	\$156,239	(\$16,757)	-10.7%	-4.8%	\$1,780	-3.3%
Urban	\$860,932	(\$102,108)	-11.9%	-2.2%	\$6,599	-1.3%
Non-Teaching	\$503,024	(\$56,078)	-11.1%	-3.9%	\$4,161	-2.8%
Teaching	\$514,147	(\$62,787)	-12.2%	-1.4%	\$4,219	-0.5%
Not-for-Profit	\$757,878	(\$86,890)	-11.5%	-4.6%	\$6,283	-3.6%
For Profit	\$131,140	(\$17,101)	-13.0%	10.4%	\$880	11.2%
Public	\$128,154	(\$14,874)	-11.6%	-4.2%	\$1,217	-3.1%
New England	\$60,643	(\$7,608)	-12.5%	-2.8%	\$656	-1.6%
Middle Atlantic	\$185,486	(\$22,135)	-11.9%	-2.6%	\$1,732	-1.6%
South Atlantic	\$172,862	(\$20,492)	-11.9%	2.0%	\$1,402	3.0%
East North Central	\$176,071	(\$20,323)	-11.5%	-7.2%	\$1,530	-6.0%
East South Central	\$73,237	(\$7,391)	-10.1%	8.4%	\$491	9.2%
West North Central	\$76,369	(\$8,093)	-10.6%	-9.4%	\$735	-8.1%
West South Central	\$106,901	(\$13,289)	-12.4%	-0.8%	\$655	-0.1%
Mountain	\$42,935	(\$4,505)	-10.5%	-9.7%	\$329	-8.6%
Pacific	\$122,666	(\$15,028)	-12.3%	-4.2%	\$848	-3.3%
Non-DSH	\$468,154	(\$50,520)	-10.8%	-4.2%	\$4,144	-3.1%
DSH	\$549,017	(\$68,344)	-12.4%	-1.3%	\$4,236	-0.4%
Less than 50 Beds	\$35,192	(\$4,301)	-12.2%	-9.6%	\$464	-8.0%
50 to 99 Beds	\$71,161	(\$7,612)	-10.7%	-1.9%	\$700	-0.7%
100 to 199 Beds	\$197,210	(\$22,463)	-11.4%	-4.1%	\$1,769	-2.8%
200 to 499 Beds	\$458,943	(\$52,477)	-11.4%	-2.5%	\$3,378	-1.6%
500 Beds or More	\$254,664	(\$32,011)	-12.6%	-1.0%	\$2,068	-0.2%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in All Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$81,454	\$85,129	\$87,609	\$89,989	\$92,399	\$94,971	\$97,706	\$462,674	\$629,257
Post-BBA Payments	\$77,231	\$78,289	\$78,810	\$79,709	\$81,018	\$83,667	\$86,085	\$409,288	\$564,808
BBA Dollar Impact	(\$4,223)	(\$6,840)	(\$8,799)	(\$10,279)	(\$11,382)	(\$11,304)	(\$11,622)	(\$53,385)	(\$64,448)
Percent Impact	-5.2%	-8.0%	-10.0%	-11.4%	-12.3%	-11.9%	-11.9%	-11.5%	-10.2%
Post-BBA Costs	\$66,663	\$68,863	\$70,197	\$71,533	\$73,000	\$74,616	\$76,389	\$365,735	\$501,261
Post-BBA Margin	13.7%	12.0%	10.9%	10.3%	9.9%	10.8%	11.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$77,231	\$78,289	\$79,132	\$80,301	\$81,133	\$83,739	\$86,159	\$410,464	\$565,984
Post-BBRA Costs	\$66,663	\$68,863	\$70,197	\$71,533	\$73,000	\$74,616	\$76,389	\$365,735	\$501,261
Post-BBRA Margin	13.7%	12.0%	11.3%	10.9%	10.0%	10.9%	11.3%		
BBRA Relief Payments	-	-	\$322	\$592	\$115	\$72	\$75	\$1,176	\$1,176
Remaining BBA Impact after BBRA									
Dollar Impact	(\$4,223)	(\$6,840)	(\$8,477)	(\$9,688)	(\$11,266)	(\$11,231)	(\$11,547)	(\$52,210)	(\$63,273)
Percent Impact	-5.2%	-8.0%	-9.7%	-10.8%	-12.2%	-11.8%	-11.8%	-11.3%	-10.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$629,257	(\$64,448)	-10.2%	11.3%	\$1,176	11.3%
Rural	\$82,729	(\$5,867)	-7.1%	8.2%	\$277	8.8%
Urban	\$546,527	(\$58,581)	-10.7%	11.7%	\$898	11.8%
Non-Teaching	\$265,304	(\$22,917)	-8.6%	7.5%	\$273	7.6%
Teaching	\$363,953	(\$41,531)	-11.4%	14.1%	\$902	14.1%
Not-for-Profit	\$459,557	(\$46,993)	-10.2%	10.5%	\$866	10.6%
For Profit	\$75,050	(\$7,914)	-10.5%	16.2%	\$65	16.3%
Public	\$94,650	(\$9,541)	-10.1%	11.0%	\$245	11.1%
New England	\$38,359	(\$4,647)	-12.1%	15.3%	\$104	15.3%
Middle Atlantic	\$119,581	(\$12,729)	-10.6%	13.8%	\$324	13.9%
South Atlantic	\$111,147	(\$10,657)	-9.6%	12.2%	\$138	12.3%
East North Central	\$100,464	(\$10,446)	-10.4%	7.8%	\$190	7.9%
East South Central	\$45,180	(\$3,592)	-8.0%	12.2%	\$52	12.2%
West North Central	\$43,612	(\$3,784)	-8.7%	3.8%	\$111	4.0%
West South Central	\$62,608	(\$6,675)	-10.7%	14.5%	\$99	14.6%
Mountain	\$26,371	(\$2,450)	-9.3%	-0.6%	\$52	-0.4%
Pacific	\$81,936	(\$9,468)	-11.6%	13.6%	\$104	13.6%
Non-DSH	\$273,226	(\$24,674)	-9.0%	7.2%	\$479	7.4%
DSH	\$356,030	(\$39,774)	-11.2%	14.5%	\$697	14.5%
Less than 50 Beds	\$11,018	(\$807)	-7.3%	13.9%	\$54	14.6%
50 to 99 Beds	\$27,098	(\$2,005)	-7.4%	6.2%	\$82	6.7%
100 to 199 Beds	\$98,322	(\$8,730)	-8.9%	6.9%	\$137	7.0%
200 to 499 Beds	\$308,030	(\$31,245)	-10.1%	10.8%	\$388	10.9%
500 Beds or More	\$184,788	(\$21,661)	-11.7%	15.0%	\$515	15.0%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in All Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$14,643	\$15,762	\$16,061	\$16,350	\$16,661	\$16,994	\$17,351	\$83,418	\$113,823
Post-BBA Payments	\$13,493	\$13,738	\$13,753	\$13,329	\$13,582	\$13,854	\$14,145	\$68,663	\$95,894
BBA Dollar Impact	(\$1,151)	(\$2,024)	(\$2,308)	(\$3,021)	(\$3,079)	(\$3,140)	(\$3,206)	(\$14,755)	(\$17,929)
Percent Impact	-7.9%	-12.8%	-14.4%	-18.5%	-18.5%	-18.5%	-18.5%	-17.7%	-15.8%
Post-BBA Costs	\$15,939	\$16,162	\$16,469	\$16,766	\$17,084	\$17,426	\$17,792	\$85,536	\$117,637
Post-BBA Margin	-18.1%	-17.6%	-19.7%	-25.8%	-25.8%	-25.8%	-25.8%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$13,493	\$13,738	\$14,095	\$14,724	\$14,920	\$15,086	\$15,102	\$73,927	\$101,158
Post-BBRA Costs	\$15,939	\$16,162	\$16,469	\$16,766	\$17,084	\$17,426	\$17,792	\$85,536	\$117,637
Post-BBRA Margin	-18.1%	-17.6%	-16.8%	-13.9%	-14.5%	-15.5%	-17.8%		
BBRA Relief Payments	-	-	\$342	\$1,395	\$1,338	\$1,232	\$957	\$5,264	\$5,264
Remaining BBA Impact after BBRA									
Dollar Impact	(\$1,151)	(\$2,024)	(\$1,966)	(\$1,627)	(\$1,741)	(\$1,908)	(\$2,249)	(\$9,491)	(\$12,665)
Percent Impact	-7.9%	-12.8%	-12.2%	-9.9%	-10.4%	-11.2%	-13.0%	-11.4%	-11.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$113,823	(\$17,929)	-15.8%	-25.8%	\$5,264	-17.8%
Rural	\$23,381	(\$3,939)	-16.8%	-27.7%	\$1,107	-20.2%
Urban	\$90,442	(\$13,990)	-15.5%	-25.3%	\$4,157	-17.2%
Non-Teaching	\$57,984	(\$9,183)	-15.8%	-24.1%	\$2,649	-16.4%
Teaching	\$55,839	(\$8,746)	-15.7%	-27.5%	\$2,615	-19.3%
Not-for-Profit	\$79,827	(\$12,455)	-15.6%	-24.1%	\$3,664	-16.2%
For Profit	\$12,733	(\$2,138)	-16.8%	-24.2%	\$604	-16.1%
Public	\$21,262	(\$3,337)	-15.7%	-33.1%	\$996	-25.1%
New England	\$7,895	(\$1,169)	-14.8%	-22.6%	\$437	-13.8%
Middle Atlantic	\$18,508	(\$3,123)	-16.9%	-29.7%	\$960	-20.7%
South Atlantic	\$20,475	(\$3,121)	-15.2%	-22.1%	\$922	-14.5%
East North Central	\$21,352	(\$3,398)	-15.9%	-23.8%	\$931	-16.1%
East South Central	\$7,814	(\$1,262)	-16.2%	-23.1%	\$345	-15.3%
West North Central	\$10,132	(\$1,603)	-15.8%	-25.2%	\$456	-18.1%
West South Central	\$10,983	(\$1,522)	-13.9%	-37.0%	\$487	-28.8%
Mountain	\$4,691	(\$678)	-14.5%	-21.7%	\$206	-14.6%
Pacific	\$11,975	(\$2,052)	-17.1%	-25.2%	\$520	-17.3%
Non-DSH	\$58,030	(\$8,636)	-14.9%	-25.5%	\$2,737	-17.5%
DSH	\$55,793	(\$9,293)	-16.7%	-26.1%	\$2,527	-18.1%
Less than 50 Beds	\$4,161	(\$745)	-17.9%	-33.8%	\$218	-26.6%
50 to 99 Beds	\$8,973	(\$1,486)	-16.6%	-29.3%	\$440	-22.0%
100 to 199 Beds	\$22,963	(\$3,894)	-17.0%	-27.9%	\$1,052	-19.6%
200 to 499 Beds	\$51,580	(\$7,645)	-14.8%	-22.3%	\$2,345	-14.4%
500 Beds or More	\$26,147	(\$4,159)	-15.9%	-28.5%	\$1,208	-20.5%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in All Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$4,258	\$4,523	\$4,821	\$5,099	\$5,367	\$5,602	\$5,780	\$26,669	\$35,450
Post-BBA Payments	\$3,363	\$3,276	\$3,432	\$3,386	\$3,511	\$3,549	\$3,637	\$17,515	\$24,154
BBA Dollar Impact	(\$895)	(\$1,247)	(\$1,389)	(\$1,713)	(\$1,856)	(\$2,053)	(\$2,143)	(\$9,154)	(\$11,296)
Percent Impact	-21.0%	-27.6%	-28.8%	-33.6%	-34.6%	-36.6%	-37.1%	-34.3%	-31.9%
Post-BBA Costs	\$3,558	\$3,686	\$3,835	\$3,964	\$4,083	\$4,184	\$4,265	\$20,331	\$27,575
Post-BBA Margin	-5.8%	-12.5%	-11.8%	-17.1%	-16.3%	-17.9%	-17.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$3,363	\$3,276	\$3,458	\$3,676	\$3,521	\$3,629	\$3,716	\$17,999	\$24,638
Post-BBRA Costs	\$3,558	\$3,686	\$3,835	\$3,964	\$4,083	\$4,184	\$4,265	\$20,331	\$27,575
Post-BBRA Margin	-5.8%	-12.5%	-10.9%	-7.8%	-16.0%	-15.3%	-14.8%		
BBRA Relief Payments	-	-	\$26	\$290	\$10	\$79	\$80	\$484	\$484
Remaining BBA Impact after BBRA									
Dollar Impact	(\$895)	(\$1,247)	(\$1,363)	(\$1,424)	(\$1,846)	(\$1,973)	(\$2,064)	(\$8,670)	(\$10,812)
Percent Impact	-21.0%	-27.6%	-28.3%	-27.9%	-34.4%	-35.2%	-35.7%	-32.5%	-30.5%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	35,450	(\$11,296)	-31.9%	-17.3%	\$484	-14.8%
Rural	\$9,067	(\$2,668)	-29.4%	-10.0%	\$94	-8.2%
Urban	\$26,383	(\$8,628)	-32.7%	-19.9%	\$390	-17.1%
Non-Teaching	\$22,882	(\$7,555)	-33.0%	-17.9%	\$308	-15.4%
Teaching	\$12,568	(\$3,740)	-29.8%	-16.1%	\$177	-13.7%
Not-for-Profit	\$21,362	(\$6,223)	-29.1%	-14.8%	\$302	-12.3%
For Profit	\$8,378	(\$3,304)	-39.4%	-25.3%	\$114	-22.5%
Public	\$5,710	(\$1,769)	-31.0%	-14.8%	\$68	-12.6%
New England	\$1,487	(\$473)	-31.8%	-10.0%	\$20	-7.8%
Middle Atlantic	\$5,013	(\$1,678)	-33.5%	-20.9%	\$91	-17.5%
South Atlantic	\$9,939	(\$3,480)	-35.0%	-25.7%	\$162	-22.4%
East North Central	\$4,855	(\$1,263)	-26.0%	-8.5%	\$52	-6.8%
East South Central	\$3,445	(\$932)	-27.1%	-8.2%	\$37	-6.3%
West North Central	\$2,834	(\$752)	-26.5%	-7.9%	\$29	-6.3%
West South Central	\$5,306	(\$2,043)	-38.5%	-26.7%	\$68	-24.0%
Mountain	\$1,184	(\$333)	-28.1%	-5.3%	\$8	-4.3%
Pacific	\$1,386	(\$342)	-24.7%	-8.4%	\$18	-6.0%
Non-DSH	\$18,984	(\$5,896)	-31.1%	-14.3%	\$242	-12.0%
DSH	\$16,466	(\$5,400)	-32.8%	-21.0%	\$242	-18.2%
Less than 50 Beds	\$1,872	(\$620)	-33.1%	-14.9%	\$18	-13.2%
50 to 99 Beds	\$3,366	(\$1,049)	-31.2%	-14.1%	\$35	-12.1%
100 to 199 Beds	\$8,254	(\$2,626)	-31.8%	-15.7%	\$115	-13.2%
200 to 499 Beds	\$15,030	(\$4,860)	-32.3%	-18.2%	\$215	-15.5%
500 Beds or More	6,928	(\$2,141)	-30.9%	-19.4%	\$100	-16.8%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for TEFRA Services in All Hospitals

With Costs Increasing at Market Basket Minus One Percentage Point

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$7,984	\$8,110	\$8,286	\$8,449	\$8,624	\$8,801	\$8,991	\$43,152	\$59,247
Post-BBA Payments	\$7,424	\$7,531	\$7,689	\$7,842	\$8,007	\$8,174	\$8,352	\$40,064	\$55,019
BBA Dollar Impact	(\$560)	(\$579)	(\$598)	(\$607)	(\$617)	(\$627)	(\$639)	(\$3,088)	(\$4,227)
Percent Impact	-7.0%	-7.1%	-7.2%	-7.2%	-7.2%	-7.1%	-7.1%	-7.2%	-7.1%
Post-BBA Costs	\$7,726	\$7,834	\$7,991	\$8,135	\$8,289	\$8,447	\$8,616	\$41,477	\$57,038
Post-BBA Margin	-4.1%	-4.0%	-3.9%	-3.7%	-3.5%	-3.3%	-3.2%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$7,424	\$7,531	\$7,685	\$7,838	\$8,002	\$8,169	\$8,347	\$40,042	\$54,997
Post-BBRA Costs	\$7,726	\$7,834	\$7,991	\$8,135	\$8,289	\$8,447	\$8,616	\$41,477	\$57,038
Post-BBRA Margin	-4.1%	-4.0%	-4.0%	-3.8%	-3.6%	-3.4%	-3.2%		
BBRA Relief Payments	-	-	(\$4)	(\$4)	(\$4)	(\$5)	(\$5)	(\$22)	(\$22)
Remaining BBA Impact after BBRA									
Dollar Impact	(\$560)	(\$579)	(\$601)	(\$611)	(\$621)	(\$632)	(\$645)	(\$3,110)	(\$4,249)
Percent Impact	-7.0%	-7.1%	-7.3%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$59,247	(\$4,227)	-7.1%	-3.2%	(\$22)	-3.2%
Rural	\$6,370	(\$551)	-8.6%	-7.9%	(\$90)	-10.2%
Urban	\$52,876	(\$3,677)	-7.0%	-2.6%	\$68	-2.4%
Non-Teaching	\$33,408	(\$2,491)	-7.5%	-3.3%	(\$89)	-3.7%
Teaching	\$25,838	(\$1,737)	-6.7%	-3.0%	\$67	-2.6%
Not-for-Profit	\$30,237	(\$2,019)	-6.7%	-2.4%	\$45	-2.2%
For Profit	\$15,039	(\$1,133)	-7.5%	-1.0%	(\$41)	-1.4%
Public	\$13,970	(\$1,076)	-7.7%	-7.1%	(\$26)	-7.4%
New England	\$4,441	(\$252)	-5.7%	-3.7%	\$5	-3.5%
Middle Atlantic	\$10,688	(\$803)	-7.5%	-3.4%	\$62	-2.5%
South Atlantic	\$9,234	(\$599)	-6.5%	-2.7%	\$1	-2.7%
East North Central	\$8,878	(\$521)	-5.9%	-1.9%	\$6	-1.9%
East South Central	\$3,821	(\$287)	-7.5%	-2.4%	(\$29)	-3.6%
West North Central	\$3,426	(\$211)	-6.2%	-3.6%	(\$18)	-4.4%
West South Central	\$10,820	(\$902)	-8.3%	-3.1%	(\$104)	-4.6%
Mountain	\$2,221	(\$151)	-6.8%	-1.2%	(\$2)	-1.4%
Pacific	\$5,719	(\$501)	-8.8%	-6.1%	\$57	-4.6%
Non-DSH	\$35,928	(\$2,471)	-6.9%	-2.9%	(\$40)	-3.1%
DSH	\$23,319	(\$1,756)	-7.5%	-3.5%	\$18	-3.4%
Less than 50 Beds	\$3,019	(\$276)	-9.1%	-4.0%	(\$24)	-2.5%
50 to 99 Beds	\$10,782	(\$819)	-7.6%	-1.7%	(\$58)	-3.1%
100 to 199 Beds	\$13,496	(\$1,005)	-7.4%	-3.0%	(\$6)	-2.9%
200 to 499 Beds	\$20,718	(\$1,353)	-6.5%	-2.9%	\$4	-4.2%
500 Beds or More	\$11,231	(\$776)	-6.9%	-5.1%	\$62	0.0%

Section VI:

Detailed Results for All Hospitals with Costs Increasing at
Market Basket (MB)

The Impact of the BBA and BBRA: 1998 to 2004

Total Medicare Hospital Payments and Margins for All Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	131,574	\$137,948	\$141,984	\$145,849	\$149,784	\$153,911	\$158,217	\$749,744	\$1,019,267
Post-BBA Payments	\$123,247	\$124,926	\$126,032	\$126,821	\$129,152	\$133,036	\$136,741	\$651,782	\$899,955
BBA Dollar Impact	(\$8,327)	(\$13,022)	(\$15,952)	(\$19,029)	(\$20,632)	(\$20,875)	(\$21,476)	(\$97,962)	(\$119,311)
Percent Impact	-6.3%	-9.4%	-11.2%	-13.0%	-13.8%	-13.6%	-13.6%	-13.1%	-11.7%
Post-BBA Costs	\$122,632	\$127,204	\$130,896	\$134,587	\$138,535	\$142,752	\$147,263	\$694,033	\$943,869
Post-BBA Margin	0.5%	-1.8%	-3.9%	-6.1%	-7.3%	-7.3%	-7.7%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$123,247	\$124,926	\$126,865	\$129,578	\$130,923	\$134,711	\$138,084	\$660,161	\$908,334
Post-BBRA Costs	\$122,632	\$127,204	\$130,896	\$134,587	\$138,535	\$142,752	\$147,263	\$694,033	\$943,869
Post-BBRA Margin	0.5%	-1.8%	-3.2%	-3.9%	-5.8%	-6.0%	-6.6%		
BBRA Relief Payments	-	-	\$833	\$2,757	\$1,770	\$1,674	\$1,343	\$8,379	\$8,379
Remaining BBA Impact after BBRA									
Dollar Impact	(\$8,327)	(\$13,022)	(\$15,118)	(\$16,271)	(\$18,861)	(\$19,200)	(\$20,132)	(\$89,584)	(\$110,933)
Percent Impact	-6.3%	-9.4%	-10.6%	-11.2%	-12.6%	-12.5%	-12.7%	-11.9%	-10.9%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.

2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket Minus One Percentage Point

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$1,019,267	(\$119,311)	-11.7%	-7.7%	\$8,379	-6.6%
Rural	\$156,471	(\$16,808)	-10.7%	-10.0%	\$1,767	-8.5%
Urban	\$862,796	(\$102,503)	-11.9%	-7.3%	\$6,611	-6.3%
Non-Teaching	\$504,326	(\$56,354)	-11.2%	-8.9%	\$4,150	-7.7%
Teaching	\$514,940	(\$62,957)	-12.2%	-6.5%	\$4,229	-5.6%
Not-for-Profit	\$759,030	(\$87,122)	-11.5%	-9.9%	\$6,291	-8.8%
For Profit	\$131,708	(\$17,221)	-13.1%	6.6%	\$870	7.4%
Public	\$128,529	(\$14,967)	-11.6%	-9.2%	\$1,217	-8.1%
New England	\$60,788	(\$7,630)	-12.6%	-8.0%	\$656	-6.7%
Middle Atlantic	\$185,847	(\$22,219)	-12.0%	-7.8%	\$1,740	-6.7%
South Atlantic	\$173,165	(\$20,543)	-11.9%	-2.7%	\$1,402	-1.7%
East North Central	\$176,412	(\$20,378)	-11.6%	-12.5%	\$1,530	-11.3%
East South Central	\$73,378	(\$7,419)	-10.1%	3.9%	\$489	4.7%
West North Central	\$76,491	(\$8,118)	-10.6%	-14.7%	\$732	-13.4%
West South Central	\$107,294	(\$13,394)	-12.5%	-5.5%	\$643	-4.8%
Mountain	\$43,018	(\$4,518)	-10.5%	-14.7%	\$329	-13.6%
Pacific	\$122,873	(\$15,090)	-12.3%	-9.5%	\$857	-8.5%
Non-DSH	\$469,431	(\$50,786)	-10.8%	-9.2%	\$4,139	-8.0%
DSH	\$549,836	(\$68,525)	-12.5%	-6.4%	\$4,239	-5.5%
Less than 50 Beds	\$35,347	(\$4,337)	-12.3%	-14.5%	\$460	-12.9%
50 to 99 Beds	\$71,626	(\$7,706)	-10.8%	-6.2%	\$686	-5.0%
100 to 199 Beds	\$197,749	(\$22,595)	-11.4%	-9.0%	\$1,774	-7.7%
200 to 499 Beds	\$459,579	(\$52,587)	-11.4%	-7.7%	\$3,381	-6.7%
500 Beds or More	\$254,965	(\$32,087)	-12.6%	-6.2%	\$2,077	-5.4%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Inpatient PPS Services in All Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$81,454	\$85,129	\$87,609	\$89,989	\$92,399	\$94,971	\$97,706	\$462,674	\$629,257
Post-BBA Payments	\$77,231	\$78,289	\$78,810	\$79,709	\$81,018	\$83,667	\$86,085	\$409,288	\$564,808
BBA Dollar Impact	(\$4,223)	(\$6,840)	(\$8,799)	(\$10,279)	(\$11,382)	(\$11,304)	(\$11,622)	(\$53,385)	(\$64,448)
Percent Impact	-5.2%	-8.0%	-10.0%	-11.4%	-12.3%	-11.9%	-11.9%	-11.5%	-10.2%
Post-BBA Costs	\$66,663	\$69,470	\$71,437	\$73,436	\$75,596	\$77,941	\$80,481	\$378,891	\$515,024
Post-BBA Margin	13.7%	11.3%	9.4%	7.9%	6.7%	6.8%	6.5%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$77,231	\$78,289	\$79,132	\$80,301	\$81,133	\$83,739	\$86,159	\$410,464	\$565,984
Post-BBRA Costs	\$66,663	\$68,863	\$70,197	\$71,533	\$73,000	\$74,616	\$76,389	\$365,735	\$501,261
Post-BBRA Margin	13.7%	12.0%	11.3%	10.9%	10.0%	10.9%	11.3%		
BBRA Relief Payments	-	-	\$322	\$592	\$115	\$72	\$75	\$1,176	\$1,176
Remaining BBA Impact after BBRA									
Dollar Impact	(\$4,223)	(\$6,840)	(\$8,477)	(\$9,688)	(\$11,266)	(\$11,231)	(\$11,547)	(\$52,210)	(\$63,273)
Percent Impact	-5.2%	-8.0%	-9.7%	-10.8%	-12.2%	-11.8%	-11.8%	-11.3%	-10.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$629,257	(\$64,448)	-10.2%	6.5%	\$1,176	11.3%
Rural	\$82,729	(\$5,867)	-7.1%	3.2%	\$277	8.8%
Urban	\$546,527	(\$58,581)	-10.7%	7.0%	\$898	11.8%
Non-Teaching	\$265,304	(\$22,917)	-8.6%	2.5%	\$273	7.6%
Teaching	\$363,953	(\$41,531)	-11.4%	9.5%	\$902	14.1%
Not-for-Profit	\$459,557	(\$46,993)	-10.2%	5.7%	\$866	10.6%
For Profit	\$75,050	(\$7,914)	-10.5%	11.8%	\$65	16.3%
Public	\$94,650	(\$9,541)	-10.1%	6.2%	\$245	11.1%
New England	\$38,359	(\$4,647)	-12.1%	10.6%	\$104	15.3%
Middle Atlantic	\$119,581	(\$12,729)	-10.6%	9.1%	\$324	13.9%
South Atlantic	\$111,147	(\$10,657)	-9.6%	7.5%	\$138	12.3%
East North Central	\$100,464	(\$10,446)	-10.4%	2.8%	\$190	7.9%
East South Central	\$45,180	(\$3,592)	-8.0%	7.5%	\$52	12.2%
West North Central	\$43,612	(\$3,784)	-8.7%	-1.2%	\$111	4.0%
West South Central	\$62,608	(\$6,675)	-10.7%	9.8%	\$99	14.6%
Mountain	\$26,371	(\$2,450)	-9.3%	-5.6%	\$52	-0.4%
Pacific	\$81,936	(\$9,468)	-11.6%	9.0%	\$104	13.6%
Non-DSH	\$273,226	(\$24,674)	-9.0%	2.2%	\$479	7.4%
DSH	\$356,030	(\$39,774)	-11.2%	9.9%	\$697	14.5%
Less than 50 Beds	\$11,018	(\$807)	-7.3%	9.2%	\$54	14.6%
50 to 99 Beds	\$27,098	(\$2,005)	-7.4%	1.1%	\$82	6.7%
100 to 199 Beds	\$98,322	(\$8,730)	-8.9%	2.0%	\$137	7.0%
200 to 499 Beds	\$308,030	(\$31,245)	-10.1%	6.1%	\$388	10.9%
500 Beds or More	\$184,788	(\$21,661)	-11.7%	10.4%	\$515	15.0%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Outpatient Services in All Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$14,643	\$15,762	\$16,061	\$16,350	\$16,661	\$16,994	\$17,351	\$83,418	\$113,823
Post-BBA Payments	\$13,493	\$13,739	\$13,754	\$13,330	\$13,584	\$13,856	\$14,147	\$68,670	\$95,902
BBA Dollar Impact	(\$1,150)	(\$2,023)	(\$2,308)	(\$3,020)	(\$3,077)	(\$3,139)	(\$3,204)	(\$14,748)	(\$17,921)
Percent Impact	-7.9%	-12.8%	-14.4%	-18.5%	-18.5%	-18.5%	-18.5%	-17.7%	-15.7%
Post-BBA Costs	\$16,096	\$16,482	\$16,960	\$17,435	\$17,940	\$18,479	\$19,051	\$89,865	\$122,442
Post-BBA Margin	-19.3%	-20.0%	-23.3%	-30.8%	-32.1%	-33.4%	-34.7%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$13,493	\$13,738	\$14,095	\$14,724	\$14,920	\$15,086	\$15,102	\$73,927	\$101,158
Post-BBRA Costs	\$15,939	\$16,162	\$16,469	\$16,766	\$17,084	\$17,426	\$17,792	\$85,536	\$117,637
Post-BBRA Margin	-18.1%	-17.6%	-16.8%	-13.9%	-14.5%	-15.5%	-17.8%		
BBRA Relief Payments	-	-	\$342	\$1,394	\$1,337	\$1,231	\$955	\$5,257	\$5,257
Remaining BBA Impact after BBRA									
Dollar Impact	(\$1,151)	(\$2,024)	(\$1,966)	(\$1,627)	(\$1,741)	(\$1,908)	(\$2,249)	(\$9,491)	(\$12,665)
Percent Impact	-7.9%	-12.8%	-12.2%	-9.9%	-10.4%	-11.2%	-13.0%	-11.4%	-11.1%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$113,823	(\$17,921)	-15.7%	-34.7%	\$5,257	-17.8%
Rural	\$23,381	(\$3,932)	-16.8%	-36.6%	\$1,100	-20.2%
Urban	\$90,442	(\$13,990)	-15.5%	-34.2%	\$4,156	-17.2%
Non-Teaching	\$57,984	(\$9,176)	-15.8%	-32.8%	\$2,642	-16.4%
Teaching	\$55,839	(\$8,746)	-15.7%	-36.6%	\$2,615	-19.3%
Not-for-Profit	\$79,827	(\$12,450)	-15.6%	-32.9%	\$3,659	-16.2%
For Profit	\$12,733	(\$2,137)	-16.8%	-33.0%	\$604	-16.1%
Public	\$21,262	(\$3,334)	-15.7%	-42.5%	\$993	-25.1%
New England	\$7,895	(\$1,168)	-14.8%	-31.3%	\$436	-13.8%
Middle Atlantic	\$18,508	(\$3,122)	-16.9%	-38.9%	\$959	-20.7%
South Atlantic	\$20,475	(\$3,120)	-15.2%	-30.8%	\$921	-14.5%
East North Central	\$21,352	(\$3,397)	-15.9%	-32.6%	\$930	-16.1%
East South Central	\$7,814	(\$1,262)	-16.2%	-31.8%	\$345	-15.3%
West North Central	\$10,132	(\$1,602)	-15.8%	-34.1%	\$455	-18.1%
West South Central	\$10,983	(\$1,521)	-13.8%	-46.7%	\$486	-28.8%
Mountain	\$4,691	(\$677)	-14.4%	-30.2%	\$205	-14.6%
Pacific	\$11,975	(\$2,052)	-17.1%	-34.0%	\$520	-17.3%
Non-DSH	\$58,030	(\$8,629)	-14.9%	-34.4%	\$2,731	-17.5%
DSH	\$55,793	(\$9,292)	-16.7%	-35.0%	\$2,526	-18.1%
Less than 50 Beds	\$4,161	(\$741)	-17.8%	-43.0%	\$215	-26.6%
50 to 99 Beds	\$8,973	(\$1,483)	-16.5%	-38.4%	\$438	-22.0%
100 to 199 Beds	\$22,963	(\$3,894)	-17.0%	-36.9%	\$1,052	-19.6%
200 to 499 Beds	\$51,580	(\$7,644)	-14.8%	-31.0%	\$2,344	-14.4%
500 Beds or More	\$26,147	(\$4,159)	-15.9%	-37.6%	\$1,208	-20.5%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for Home Health Services in All Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$4,258	\$4,523	\$4,821	\$5,099	\$5,367	\$5,602	\$5,780	\$26,669	\$35,450
Post-BBA Payments	\$3,363	\$3,276	\$3,432	\$3,386	\$3,511	\$3,549	\$3,637	\$17,515	\$24,154
BBA Dollar Impact	(\$895)	(\$1,247)	(\$1,389)	(\$1,713)	(\$1,856)	(\$2,053)	(\$2,143)	(\$9,154)	(\$11,296)
Percent Impact	-21.0%	-27.6%	-28.8%	-33.6%	-34.6%	-36.6%	-37.1%	-34.3%	-31.9%
Post-BBA Costs	\$3,558	\$3,686	\$3,835	\$3,964	\$4,083	\$4,184	\$4,265	\$20,331	\$27,575
Post-BBA Margin	-5.8%	-12.5%	-11.8%	-17.1%	-16.3%	-17.9%	-17.3%		
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$3,363	\$3,276	\$3,458	\$3,676	\$3,521	\$3,629	\$3,716	\$17,999	\$24,638
Post-BBRA Costs	\$3,558	\$3,686	\$3,835	\$3,964	\$4,083	\$4,184	\$4,265	\$20,331	\$27,575
Post-BBRA Margin	-5.8%	-12.5%	-10.9%	-7.8%	-16.0%	-15.3%	-14.8%		
BBRA Relief Payments	-	-	\$26	\$290	\$10	\$79	\$80	\$484	\$484
Remaining BBA Impact after BBRA									
Dollar Impact	(\$895)	(\$1,247)	(\$1,363)	(\$1,424)	(\$1,846)	(\$1,973)	(\$2,064)	(\$8,670)	(\$10,812)
Percent Impact	-21.0%	-27.6%	-28.3%	-27.9%	-34.4%	-35.2%	-35.7%	-32.5%	-30.5%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$35,450	(\$11,296)	-31.9%	-17.3%	\$484	-14.8%
Rural	\$9,067	(\$2,668)	-29.4%	-10.0%	\$94	-8.2%
Urban	\$26,383	(\$8,628)	-32.7%	-19.9%	\$390	-17.1%
Non-Teaching	\$22,882	(\$7,555)	-33.0%	-17.9%	\$308	-15.4%
Teaching	\$12,568	(\$3,740)	-29.8%	-16.1%	\$177	-13.7%
Not-for-Profit	\$21,362	(\$6,223)	-29.1%	-14.8%	\$302	-12.3%
For Profit	\$8,378	(\$3,304)	-39.4%	-25.3%	\$114	-22.5%
Public	\$5,710	(\$1,769)	-31.0%	-14.8%	\$68	-12.6%
New England	\$1,487	(\$473)	-31.8%	-10.0%	\$20	-7.8%
Middle Atlantic	\$5,013	(\$1,678)	-33.5%	-20.9%	\$91	-17.5%
South Atlantic	\$9,939	(\$3,480)	-35.0%	-25.7%	\$162	-22.4%
East North Central	\$4,855	(\$1,263)	-26.0%	-8.5%	\$52	-6.8%
East South Central	\$3,445	(\$932)	-27.1%	-8.2%	\$37	-6.3%
West North Central	\$2,834	(\$752)	-26.5%	-7.9%	\$29	-6.3%
West South Central	\$5,306	(\$2,043)	-38.5%	-26.7%	\$68	-24.0%
Mountain	\$1,184	(\$333)	-28.1%	-5.3%	\$8	-4.3%
Pacific	\$1,386	(\$342)	-24.7%	-8.4%	\$18	-6.0%
Non-DSH	\$18,984	(\$5,896)	-31.1%	-14.3%	\$242	-12.0%
DSH	\$16,466	(\$5,400)	-32.8%	-21.0%	\$242	-18.2%
Less than 50 Beds	\$1,872	(\$620)	-33.1%	-14.9%	\$18	-13.2%
50 to 99 Beds	\$3,366	(\$1,049)	-31.2%	-14.1%	\$35	-12.1%
100 to 199 Beds	\$8,254	(\$2,626)	-31.8%	-15.7%	\$115	-13.2%
200 to 499 Beds	\$15,030	(\$4,860)	-32.3%	-18.2%	\$215	-15.5%
500 Beds or More	\$6,928	(\$2,141)	-30.9%	-19.4%	\$100	-16.8%

The Impact of the BBA and BBRA: 1998 to 2004

Medicare Hospital Payments and Margins for TEFRA Services in All Hospitals

With Costs Increasing at Market Basket

Impact of the Balanced Budget Act of 1997 (BBA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Pre-BBA Payments	\$8,049	\$8,242	\$8,489	\$8,727	\$8,980	\$9,240	\$9,517	\$44,953	\$61,243
Post-BBA Payments	\$7,457	\$7,623	\$7,842	\$8,062	\$8,296	\$8,536	\$8,793	\$41,530	\$56,609
BBA Dollar Impact	(\$592)	(\$619)	(\$646)	(\$665)	(\$684)	(\$704)	(\$725)	(\$3,423)	(\$4,634)
Percent Impact	-7.4%	-7.5%	-7.6%	-7.6%	-7.6%	-7.6%	-7.6%	-7.6%	-7.6%
Post-BBA Costs	\$7,802	\$7,989	\$8,229	\$8,459	\$8,705	\$8,957	\$9,226	\$43,576	\$59,367
Post-BBA Margin	-4.6%	-4.8%	-4.9%	-4.9%	-4.9%	-4.9%	-4.9%	-4.9%	-4.9%
Remaining BBA Impact after the Balanced Budget Refinement Act of 1999 (BBRA)									
(\$ millions)									
	1998	1999	2000	2001	2002	2003	2004	Total 2000-2004	Total 1998-2004
Post-BBRA Payments	\$7,424	\$7,531	\$7,685	\$7,838	\$8,002	\$8,169	\$8,347	\$40,042	\$54,997
Post-BBRA Costs	\$7,726	\$7,834	\$7,991	\$8,135	\$8,289	\$8,447	\$8,616	\$41,477	\$57,038
Post-BBRA Margin	-4.1%	-4.0%	-4.0%	-3.8%	-3.6%	-3.4%	-3.2%	-3.2%	-3.2%
BBRA Relief Payments	-	-	(\$158)	(\$224)	(\$293)	(\$367)	(\$446)	(\$1,488)	(\$1,488)
Remaining BBA Impact after BBRA									
Dollar Impact	(\$625)	(\$710)	(\$804)	(\$888)	(\$977)	(\$1,071)	(\$1,171)	(\$4,911)	(\$6,246)
Percent Impact	-7.8%	-8.6%	-9.5%	-10.2%	-10.9%	-11.6%	-12.3%	-10.9%	-10.2%

Notes: 1) The BBA took effect in 1998; the BBRA in 2000.
 2) Post-BBRA estimates reflect BBA policies as modified by the BBRA. Because the BBRA took effect in 2000, 1998 and 1999 Post-BBRA and Post-BBA estimates are identical.

The BBA and BBRA Impact by Hospital Category

With Costs Increasing at Market Basket

	Total Pre-BBA Payments 1998-2004	Total Dollar Impact of the BBA 1998-2004	Total Percent Impact of the BBA 1998-2004	Post-BBA Margin in 2004	Total Relief Payments 1998-2004	Post-BBRA Margin in 2004
Total	\$61,243	(\$4,634)	-7.6%	-4.9%	\$385	-3.2%
Rural	\$6,579	(\$601)	-9.1%	-10.1%	(\$40)	-10.2%
Urban	\$54,664	(\$4,034)	-7.4%	-4.3%	\$425	-2.4%
Non-Teaching	\$34,565	(\$2,728)	-7.9%	-4.9%	\$148	-3.7%
Teaching	\$26,678	(\$1,906)	-7.1%	-5.0%	\$237	-2.6%
Not-for-Profit	\$31,235	(\$2,210)	-7.1%	-4.2%	\$236	-2.2%
For Profit	\$15,591	(\$1,243)	-8.0%	-2.2%	\$69	-1.4%
Public	\$14,417	(\$1,182)	-8.2%	-9.4%	\$80	-7.4%
New England	\$4,586	(\$273)	-6.0%	-5.4%	\$26	-3.5%
Middle Atlantic	\$11,031	(\$879)	-8.0%	-5.5%	\$138	-2.5%
South Atlantic	\$9,543	(\$651)	-6.8%	-4.3%	\$52	-2.7%
East North Central	\$9,182	(\$570)	-6.2%	-3.4%	\$54	-1.9%
East South Central	\$3,955	(\$312)	-7.9%	-3.9%	(\$4)	-3.6%
West North Central	\$3,536	(\$234)	-6.6%	-5.7%	\$5	-4.4%
West South Central	\$11,198	(\$997)	-8.9%	-4.9%	(\$9)	-4.6%
Mountain	\$2,299	(\$164)	-7.1%	-2.5%	\$11	-1.4%
Pacific	\$5,913	(\$555)	-9.4%	-8.3%	\$111	-4.6%
Non-DSH	\$37,145	(\$2,714)	-7.3%	-4.7%	\$204	-3.1%
DSH	\$24,098	(\$1,920)	-8.0%	-5.3%	\$181	-3.4%
Less than 50 Beds	\$3,124	(\$302)	-9.7%	-5.8%	\$3	-2.5%
50 to 99 Beds	\$11,169	(\$894)	-8.0%	-3.0%	\$18	-3.1%
100 to 199 Beds	\$13,965	(\$1,111)	-8.0%	-4.7%	\$101	-2.9%
200 to 499 Beds	\$21,411	(\$1,471)	-6.9%	-4.5%	\$122	-4.2%
500 Beds or More	\$11,574	(\$856)	-7.4%	-7.5%	\$142	0.0%