

Section 1886(d)(4)(C)(iv) of the Act also requires that I include in my report recommendations with respect to adjustments to the diagnosis-related group (DRG) weighting factors. At this time I do not anticipate recommending any adjustment to the DRG weighting factors for FY 1996.

I would be pleased to discuss this recommendation with you. I am also sending a copy of this letter to the President of the Senate.

Sincerely,

Donna E. Shalala.

5. On page 29380, appendix D, second column, the second full paragraph is removed and the following added in its place:

In its March 1, 1995 report, ProPAC recommended update factors to the standardized amounts equal to the percentage increase in the market basket minus 1.8 percentage points for hospitals in both large urban and other areas. Based on its current market basket rate of increase estimate of 3.4 percent, ProPAC's recommended update to the standardized amounts equals 1.6 percent for hospitals in both large urban and other areas. ProPAC recommended that the update for the hospital-specific rates applicable to sole community hospitals be the same factor as the rate for all other prospective payment hospitals. This recommendation would result in a 1.6 percent update to the hospital-specific rates. The components of ProPAC's update factor recommendations are described in detail in the ProPAC report, which is published as Appendix E to this document. We discuss ProPAC's recommendations concerning the update factors and our responses to these recommendations below.

6. On page 29380, appendix D, section III is corrected up to the *Response* on page 29381, column 1 as follows:

III. ProPAC Recommendation for Updating the Prospective Payment System Standardized Amounts

For FY 1996, ProPAC recommends that the standardized amounts be updated by the following factors:

- The projected increase in the HCFA hospital market basket index, currently estimated at 3.5 percent, with an adjustment of -0.1 percentage points to account for the different wage and salary price proxies used for the ProPAC market basket rate of increase.

- A negative adjustment of 1.8 percentage points to correct for substantial error in the FY 1994 market basket forecast;

- A positive adjustment of 0.3 percentage points to reflect the cost-increasing effects of scientific and technological advances;

- A negative adjustment of 0.3 percentage points to encourage hospital productivity improvements; and

- A net adjustment of zero percentage points for case-mix change in FY 1995.

Overall, the net increase employing the above factors is the percentage increase in the hospital market basket minus 1.9 percentage points. Based on HCFA's market basket estimate of 3.5 percent, ProPAC recommends that hospitals in large urban and other areas receive a 1.6 percent update.

7. On page 29383, Table 1—Comparison of FY 1996 Update Recommendations is removed and the following added in its place:

TABLE 1.—COMPARISON OF FY 1996 UPDATE RECOMMENDATIONS

	HHS	ProPAC
Market Basket	MB	MB
Difference Between HCFA & ProPAC Market Baskets		-0.1
Subtotal	MB	MB-0.1
Policy Adjustment Factors Productivity	-0.7 to -0.8	-0.3
Intensity	0.0	
Science and Technology		+0.3
Practice Patterns ..		(1)
Real Within DRG Change		(2)
Subtotal	-0.7 to -0.8	+0.0
Case Mix Adjustment Factors: Projected Case Mix Change	-0.8	-1.0
Real Across DRG Change	0.8	+0.8
Real Within DRG Change	(3)	+0.2
Subtotal	0.0	0.0
Effect of 1994 Reclassification and Recalibration	-0.3	—
Forecast Error Correction	-1.8	-1.8
Total Recommended Update	MB-2.8 to MB-2.9	MB-1.9

(1) Included in ProPAC's Productivity Measure.

(2) Included in ProPAC's Case Mix Adjustment.

(3) Included in HHS's Intensity Factor.

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance; and Program No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: July 21, 1995.

Neil J. Stillman,

Deputy Assistant Secretary for Information Resources Management.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

46 CFR Parts 5, 10, 12, and 15

[CGD 95-062]

International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as revised by the 1995 Amendments to It

AGENCY: Coast Guard, DOT.

ACTION: Notice of public meeting, availability of documents, and request for comments.

SUMMARY: The Coast Guard is holding a public meeting to discuss the outcome of the 1994 Conference of Parties to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW), which adopted comprehensive amendments to the Annex to STCW. The amendments are scheduled to come into force on February 1, 1997, and they may affect virtually all phases of the system used in the United States to train, test, evaluate, document, and license merchant mariners. The meeting will provide an opportunity for the public to comment on the steps that the Coast Guard considers necessary to implement the requirements of STCW as amended under the laws of the United States, including regulations of the Coast Guard.

DATES: The meeting will be held August 31, 1995, from 9:30 a.m. to 2:30 p.m. Written comments must be received not later than September 29, 1995.

ADDRESSES: The meeting will be held in room 2415, Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001. Written comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA), U.S. Coast Guard, 2100 Second Street SW., Washington DC 20593-0001, or may be delivered to room 3406 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments will become part of this docket [CGD 95-062] and will be available for inspection or copying at