

reclassification under sections 1886(d)(8) and 1886(d)(10) of the Act and without applying the "rural floor" under section 4410 of the BBA) to determine the applicable wage index values under the SNF PPS, because these data (FY 2002) are the most recent complete data. We realize that there has been some interest in developing a SNF-specific wage index. However, considering the impact of converting to the new OMB classification methodology discussed above, we believe a second major change would be inappropriate at this time. In making this decision, one of our primary concerns is that the combined effect of changing both the wage area categories and the actual wage index could result in an inaccurate impact assessment for one or both of these changes. As discussed in several of the previous SNF PPS rules, we also remain concerned about the potential volatility and unreliability of unaudited data (see, for example, the final rule for FY 2002 (66 FR 39579 through 39596, July 31, 2001), and the final rule for FY 2004 (68 FR 46045 through 46046, August 3, 2003)).

We are proposing to adopt OMB's new labor market designations for FY 2006, effective October 1, 2005. In adopting the CBSA designations, we identified some geographic areas where there were no hospitals, and thus no

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