

The following additional requirements are applicable to this program. For a complete description of each, see the ATTACHMENT in the application kit.

AR-7 Executive Order 12372 Review

AR-9 Paperwork Reduction Act Requirements

AR-10 Smoke-Free Workplace Requirements

AR-11 Healthy People 2010

AR-12 Lobbying Restrictions

### **I. Authority and Catalog of Federal Domestic Assistance Number**

This program is authorized by Section 301 (a) (42 U.S.C. 241(a)) and Section 317 (42 U.S.C. 247b) of the Public Health Service Act, as amended. The Catalog of Federal Domestic Assistance number is 93.184.

### **J. Where To Obtain Additional Information**

This and other funding opportunities may be found on the CDC home page on the Internet: <http://www.cdc.gov>. To receive additional written information and to request an application kit, call 1-888-GRANTS4 (1-888-472-6874). You will be asked to leave your name, address, and telephone number and will be instructed to identify the Announcement Number of interest.

If you have any questions after reviewing the contents of all the documents, business management technical assistance may be obtained from:

William Paradies, Grants Management Specialist, Grants Management Branch, Procurement and Grants Office, Centers for Disease Control and Prevention (CDC), 2920 Brandywine Road, Room 3000, Atlanta, Georgia 30341-4146, Telephone: (770) 488-2721, E-mail: [wep2@cdc.gov](mailto:wep2@cdc.gov)

General program assistance can be obtained from: Jack Stubbs, Disability and Health Branch, National Center for Environmental Health, CDC, 4770 Buford Highway, Building 101, Mailstop F-29, Atlanta, Georgia 30341, Telephone: (770) 488-7096, E-mail: [jbs2@cdc.gov](mailto:jbs2@cdc.gov)

Dated: May 23, 2000.

**John L. Williams,**

*Director, Procurement and Grants Office, Centers for Disease Control and Prevention (CDC).*

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## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Health Care Financing Administration**

HCFA-2063-N

RIN 0938-AJ72

### **Medicaid Program; State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals: Federal Fiscal Year 2000**

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

**ACTION:** Notice.

**SUMMARY:** The Social Security Act provides for the Medicaid program to pay all or part of the Medicare Part B premiums for 5 years (Federal fiscal years 1998 through 2002) for two specific eligibility groups of low-income Medicare beneficiaries, referred to as Qualifying Individuals. This notice announces the Federal fiscal year 2000 allotments that are available for State agencies to pay Medicare Part B premiums for these eligibility groups.

**EFFECTIVE DATE:** This notice is effective October 1, 1999 for allotments for payment of Medicare Part B premiums for individuals in calendar year 2000 from the allocation for fiscal year 2000.

**FOR FURTHER INFORMATION CONTACT:** Miles McDermott, (410) 786-3722.

#### **SUPPLEMENTARY INFORMATION:**

#### **I. Background**

##### *A. Before the Balanced Budget Act of 1997*

Before the enactment of the Balanced Budget Act of 1997 (BBA), section 1902(a)(10)(E) of the Social Security Act (the Act) specified that the State Medicaid plan must provide for Medicare cost-sharing for three eligibility groups of low-income Medicare beneficiaries. These three groups included Qualified Medicare Beneficiaries (QMBs), Specified Low-income Medicare Beneficiaries (SLMBs), and Qualified Disabled and Working Individuals (QDWIs).

A QMB is an individual entitled to Medicare Part A with income at or below the Federal poverty level and resources below \$4,000 for an individual and \$6,000 for a couple. An SLMB is an individual who meets the QMB criteria, except that his or her income is between a State-established level (at or below the Federal poverty level) and 120 percent of the Federal poverty level. A QDWI is an individual who is entitled to enroll in Medicare Part A, whose income does not exceed 200 percent of the Federal poverty level

for a family of the size involved, whose resources do not exceed twice the amount allowed under the Supplementary Security Income (SSI) program, and who is not otherwise eligible for Medicaid. The definition of Medicare cost-sharing at section 1905(p)(3) of the Act includes payment for premiums for Medicare Part B.

##### *B. After the Balanced Budget Act of 1997*

Section 4732 of the BBA amended section 1902(a)(10)(E) of the Act to require States to provide for Medicaid payment of the Medicare Part B premiums, during the period beginning January 1998 and ending December 2002, for two eligibility groups of low-income Medicare beneficiaries, referred to as Qualifying Individuals (QIs).

Under section 1902(a)(10)(E)(iv)(I) of the Act, State agencies are required to pay the full amount of the Medicare Part B premium for selected QIs who would be QMBs except that their income level is at least 120 percent but less than 135 percent of the Federal poverty level for a family of the size involved. These individuals cannot otherwise be eligible for medical assistance under the approved State Medicaid plan.

The second group of QIs, under section 1902(a)(10)(E)(iv)(II) of the Act, includes Medicare beneficiaries who would be QMBs except that their income is at least 135 percent but less than 175 percent of the Federal poverty level for a family of the size involved. These QIs may not be otherwise eligible for Medicaid under the approved State plan, but are eligible for a portion of Medicare cost-sharing consisting only of a percentage of the increase in the Medicare Part B premium attributable to the shift of Medicare home health coverage from Part A to Part B (as provided in section 4611 of the BBA).

Section 4732(c) of the BBA also added section 1933 of the Act, which specifies the provisions for State coverage of the Medicare cost-sharing for additional low-income Medicare beneficiaries.

Section 1933(a) of the Act specifies that a State agency must provide, through a State plan amendment, for medical assistance to pay for the cost of Medicare cost-sharing on behalf of QIs who are selected to receive assistance.

Section 1933(b) of the Act sets forth the rules that State agencies must follow in selecting QIs and providing payment for Medicare Part B premiums. Specifically, the State agency must permit all QIs to apply for assistance and must select individuals on a first-come, first-served basis in the order in which they apply. Under section 1933(b)(2)(B) of the Act, when selecting

persons who will receive assistance in the years after 1998, State agencies must give preference to those individuals who received assistance as QIs, QMBs, SLMs, or QDWMs in the last month of the previous year and who continue to be, or now become, QIs. Under section 1933(b)(4), persons selected to receive assistance in a calendar year are entitled to receive assistance for the remainder of the year, but not beyond, as long as they continue to qualify. The fact that an individual is selected to receive assistance at any time during the year does not entitle the individual to continued assistance for any succeeding year. Because the State's allotment is limited by law, section 1933(b)(3) of the Act provides that the State agency must limit the number of QIs so that the amount of assistance provided during the year is approximately equal to the State's allotment for that year.

Section 1933(c) of the Act limits the total amount of Federal funds available for payment of Part B premiums each fiscal year and specifies the formula to be used to determine an allotment for each State from this total amount. For State agencies that execute a State plan

amendment in accordance with section 1933(a) of the Act, a total of \$1.5 billion was allocated over 5 years as follows: \$200 million in FY 1998; \$250 million in FY 1999; \$300 million in FY 2000; \$350 million in FY 2001; and \$400 million in FY 2002.

The Federal matching rate for Medicaid payment of Medicare Part B premiums for QIs is 100 percent for expenditures up to the amount of the State's allotment. No Federal matching funds are available for expenditures in excess of the State's allotment amount. Administrative expenses associated with the payment of Medicare Part B premiums for QIs remain at the 50 percent matching level and may not be taken from the State's allotment.

The amount available for each fiscal year is to be allocated among States according to the formula set forth in section 1933(c)(2) of the Act. The formula provides for an amount to each State agency that is to be based on each State's share of the Secretary's estimate of the ratio of—

(1) An amount equal to the sum of the following:

(a) Twice the total number of individuals who meet all but the income requirements for QMBs, whose incomes are at least 120 percent but less than 135 percent of the Federal poverty level, and who are not otherwise eligible for Medicaid; and

(b) The total number of individuals in the State who meet all but the income requirements for QMBs, whose incomes are at least 135 percent but less than 175 percent of the Federal poverty level, and who are not otherwise eligible for Medicaid; to

(2) The sum of all of these individuals under item (1) for all eligible States.

## II. Provisions of This Notice

This notice announces the availability of individual State allotments for Federal fiscal year 2000 for the Medicaid payment of Medicare Part B premiums for QIs identified under sections 1902(a)(10)(E)(iv)(I) and (II) of the Act. The formula used to calculate these allotments was described in detail in the January 26, 1998 **Federal Register** (63 FR 3754) and, except for the incorporation of the latest data, has been used here without changes.

### FY 2000 STATE ALLOTMENTS FOR PAYMENT OF PART B PREMIUMS UNDER SEC. 4732 OF THE BBA OF 1997

[In thousands]

State	(a) M1 <sup>1</sup>	(b) M2 <sup>2</sup>	(c) [2 × (a)] + (b)	State share of (c) (in percent)	State FY 2000 allocation (dollars in thousands)
AK .....	1	4	6	0.09	278
AL .....	37	82	156	1.41	7,231
AR .....	25	43	93	1.44	4,311
AZ .....	17	71	105	1.62	4,867
CA .....	102	327	531	8.20	24,614
CO .....	13	23	49	0.76	2,271
CT .....	6	52	64	0.99	2,967
DC .....	2	5	9	0.14	417
DE .....	5	10	20	0.31	927
FL .....	100	280	480	7.42	22,250
GA .....	33	92	158	2.44	7,324
HI .....	4	10	18	0.28	834
IA .....	13	54	80	1.24	3,708
ID .....	5	17	27	0.42	1,252
IL .....	56	179	291	4.50	13,489
IN .....	36	103	175	2.70	8,112
KS .....	14	57	85	1.31	3,940
KY .....	24	80	128	1.98	5,933
LA .....	29	75	133	2.06	6,165
MA .....	33	81	147	2.27	6,814
md .....	21	66	108	1.67	5,006
ME .....	8	18	34	0.53	1,576
MI .....	48	128	224	3.46	10,383
MN .....	26	63	115	1.78	5,331
MO .....	25	85	135	2.09	6,258
MS .....	16	40	72	1.11	3,337
MT .....	5	13	23	0.36	1,066
NC .....	48	115	211	3.26	9,781
ND .....	5	13	23	0.36	1,066
NE .....	12	31	55	0.85	2,549
NH .....	6	16	28	0.43	1,298
NJ .....	44	120	208	3.21	9,642
NM .....	10	20	40	0.62	1,854
NV .....	4	18	26	0.40	1,205

FY 2000 STATE ALLOTMENTS FOR PAYMENT OF PART B PREMIUMS UNDER SEC. 4732 OF THE BBA OF 1997—  
Continued  
[In thousands]

State	(a) M1 <sup>1</sup>	(b) M2 <sup>2</sup>	(c) [2 × (a)] + (b)	State share of (c) (in percent)	State FY 2000 allocation (dollars in thousands)
NY .....	99	228	426	6.58	19,747
OH .....	72	183	327	5.05	15,158
OK .....	27	51	105	1.62	4,867
OR .....	13	44	70	1.08	3,245
PA .....	83	196	362	5.59	16,780
RI .....	9	24	42	0.65	1,947
SC .....	25	80	130	2.01	6,026
SD .....	5	11	21	0.32	973
TN .....	29	45	103	1.59	4,774
TX .....	79	212	370	5.72	17,151
UT .....	3	20	26	0.40	1,205
VA .....	13	86	112	1.73	5,192
VT .....	4	8	16	0.25	742
WA .....	17	44	78	1.21	3,616
WI .....	26	82	134	2.07	6,211
WV .....	18	45	81	1.25	3,755
WY .....	3	6	12	0.19	556
Total .....	1358	3756	6472	100.00	300,000

<sup>1</sup> Three-year average (1996–1998) of number of Medicare beneficiaries in State who are not enrolled in medicaid but whose incomes are at least 120% but less than 135% of FPL.

<sup>2</sup> Three-year average (1996–1998) of number of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 135% but less than 175% of FPL.

### III. Waiver of Advance Public Comment and 30-Day Delay in Effective Date

We ordinarily publish an advance notice in the **Federal Register** for a notice containing substantive rules to provide a period for public comment. However, we may waive that procedure if we find good cause that notice and comment are impractical, unnecessary, or contrary to the public interest. In addition, we also normally provide a delay of 30 days in the effective date. However, if adherence to this procedure would be impractical, unnecessary, or contrary to the public interest, we may waive the delay in the effective date.

We find good cause to waive notice and comment procedure for this notice. The law sets out in detail the specific amounts available for each Federal fiscal year for Medicare Part B premiums for QIs and the formula that is used to determine individual State allotments. In addition, the latest data from the U. S. Census Bureau on the number of possible QIs in the States, used in the statutory formula as discussed in section V of this notice, is not available until too late in the calendar year. Therefore, it would be impracticable, unnecessary, and contrary to the public interest to submit this notice to the public for a notice and comment procedure.

Also, because States can begin making payments for Medicare Part B premiums for QIs as early as January 1, 2000, we are not making the effective date of the

notice the usual 30 days after publication. For the reasons discussed previously, we find good cause to waive the usual 30-day delay.

### IV. Effect of the Contract With America Advancement Act

Normally, under 5 U.S.C. section 801, as added by section 251 of Public Law 104–121, the effective date of a major rule is delayed 60 days for Congressional review. This has been determined to be a major rule under 5 U.S.C. section 804(2). However, as indicated in section III of this notice, we have found that good cause exists to dispense with prior notice and comment procedures since they are unnecessary and impracticable under the circumstances. Under 5 U.S.C. section 808(2), a rule shall take effect at such time as the Federal agency promulgating the rule determines, if it finds, for good cause, that prior notice and comment procedures are unnecessary or impracticable. Accordingly, under the exemption provided in 5 U.S.C. section 808(2), this notice is effective October 1, 1999, for allotments for payments of Medicare Part B premiums for individuals in calendar year 2000 from the allotment for Federal fiscal year 2000.

### V. Regulatory Impact Statement

We have examined the impact of this notice as required by Executive Order 12866 and the Regulatory Flexibility Act

(RFA) (Public Law 96–354). Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). The RFA requires agencies to analyze options for regulatory relief for small businesses. For purposes of the RFA, States and individuals are not considered to be small entities.

This notice allocates, among the States, Federal funds to provide Medicaid payment for Medicare Part B premiums for QIs. The total amount of Federal funds available during a Federal fiscal year and the formula for determining individual State allotments are specified in the law. We have applied the statutory formula for the State allotments except for the use of specified data. Because the data specified in the law were not currently available, we have used comparable data from the U.S. Census Bureau on the number of possible QIs in the States, as described in detail in the January 26, 1998 **Federal Register**. These new allotments for FY 2000 incorporate the latest data from the Census Bureau covering 1996 through 1998, as specified in the footnote to the preceding table.

We believe the statutory provisions implemented in this notice will have a

positive effect on States and individuals. Federal funding at the 100 percent matching rate is available for Medicare cost-sharing for Medicare Part B premium payments for QIs, and a greater number of low-income Medicare beneficiaries will be eligible to have their Medicare Part B premiums paid under Medicaid.

Section 1102(b) of the Act requires us to prepare a regulatory impact analysis for any notice that may have a significant impact on the operations of a substantial number of small rural hospitals. Such an analysis must conform to the provisions of section 603 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside a Metropolitan Statistical Area and has fewer than 50 beds.

We are not preparing analyses for either the RFA or section 1102(b) of the Act, because we have determined and certify that this notice will not have a significant economic impact on a substantial number of small entities or a significant impact on the operations of a substantial number of small rural hospitals.

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

We have reviewed this notice under the threshold criteria of Executive Order 13132 of August 4, 1999, Federalism, published in the **Federal Register** on August 10, 1999 (64 FR 43255). The Executive Order is effective on November 2, 1999, which is 90 days after the date of the Order. We have determined that this notice does not significantly affect the rights, roles, and responsibilities of States.

**Authority:** Sections 1902(a)(10)(E) and 1933 of the Social Security Act (42 U.S.C. 1396a(a)(10)(E) and 1396x).

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

Dated: September 28, 1999.

**Michael M. Hash,**

*Deputy Administrator, Health Care Financing Administration.*

Dated: November 22, 1999.

**Donna E. Shalala,**

*Secretary.*

**Editorial Note.** This document was received at the Office of the Federal Register May 23, 2000.

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

[HCFA-9001-N]

#### Medicare and Medicaid Programs; Quarterly Listing of Program Issuances—Third Quarter, 1999

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

**ACTION:** Notice.

**SUMMARY:** This notice lists HCFA manual instructions, substantive and interpretive regulations, and other **Federal Register** notices that were published during July, August, and September of 1999, relating to the Medicare and Medicaid programs. This notice also identifies certain devices with investigational device exemption numbers approved by the Food and Drug Administration that potentially may be covered under Medicare.

Section 1871(c) of the Social Security Act requires that we publish a list of Medicare issuances in the **Federal Register** at least every 3 months.

Although we are not mandated to do so by statute, for the sake of completeness of the listing, we are also including all Medicaid issuances and Medicare and Medicaid substantive and interpretive regulations (proposed and final) published during this timeframe.

**FOR FURTHER INFORMATION CONTACT:** It is possible that an interested party may have a specific information need and not be able to determine from the listed information whether the issuance or regulation would fulfill that need. Consequently, we are providing information contact persons to answer general questions concerning these items. Copies are not available through the contact persons.

Questions concerning Medicare items in Addendum III may be addressed to Bridget Wilhite, Office of Communications and Operations Support, Division of Regulations and Issuances, Health Care Financing Administration, C5-16-03, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-5248.

Questions concerning Medicaid items in Addendum III may be addressed to Betty Stanton, Center for Medicaid State Operations, Policy Coordination and Planning Group, Health Care Financing Administration, S2-26-13, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-3247.

Questions concerning Food and Drug Administration-approved investigational device exemptions may be addressed to Sharon Hippler, Office

of Clinical Standards and Quality, Coverage and Analysis Group, Health Care Financing Administration, C4-11-04, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-4633.

Questions concerning all other information may be addressed to Trenesha Fultz, Office of Communications and Operations Support, Division of Regulations and Issuances, Health Care Financing Administration, C5-12-08, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-3822.

#### SUPPLEMENTARY INFORMATION:

##### I. Program Issuances

The Health Care Financing Administration (HCFA) is responsible for administering the Medicare and Medicaid programs. These programs pay for health care and related services for 39 million Medicare beneficiaries and 35 million Medicaid recipients. Administration of these programs involves (1) furnishing information to Medicare beneficiaries and Medicaid recipients, health care providers, and the public and (2) effective communications with regional offices, State governments, State Medicaid Agencies, State Survey Agencies, various providers of health care, fiscal intermediaries and carriers that process claims and pay bills, and others. To implement the various statutes on which the programs are based, we issue regulations under the authority granted to the Secretary of the Department of Health and Human Services under sections 1102, 1871, 1902, and related provisions of the Social Security Act (the Act). We also issue various manuals, memoranda, and statements necessary to administer the programs efficiently.

Section 1871(c)(1) of the Act requires that we publish a list of all Medicare manual instructions, interpretive rules, and guidelines of general applicability not issued as regulations at least every 3 months in the **Federal Register**. We published our first notice June 9, 1988 (53 FR 21730). Although we are not mandated to do so by statute, for the sake of completeness of the listing of operational and policy statements, we are continuing our practice of including Medicare substantive and interpretive regulations (proposed and final) published during the 3-month time frame.

##### II. How To Use the Addenda

This notice is organized so that a reader may review the subjects of all manual issuances, memoranda, substantive and interpretive regulations, or Food and Drug Administration-