

acquire voting shares of Farmers Citizens Bank, all of Bucyrus, Ohio.

Board of Governors of the Federal Reserve System, December 20, 2007.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E7-25016 Filed 12-26-07; 8:45 am]

BILLING CODE 6210-01-S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at www.ffiec.gov/nic/.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 18, 2008.

A. Federal Reserve Bank of Chicago (Burl Thornton, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *Capitol Bancorp Ltd., and Capitol Development Bancorp Limited VII*, both of Lansing, Michigan; to acquire 51 percent of the voting shares of Mountain View Bank of Commerce (in organization), Westminster, Colorado.

In connection with this application, Capitol Bancorp Colorado Ltd. III,

Lansing, Michigan; has applied to become a bank holding company by acquiring 51 percent of the voting shares of Mountain View Bank of Commerce (in organization), Westminster, Colorado.

2. *Kerndt Bank Services, Inc.*, Lansing, Iowa; to acquire 100 percent of Family Merchants Bancorporation, Inc., and thereby indirectly acquire voting shares of Family Merchants Bank, both of Cedar Rapids, Iowa.

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Deputy Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-4134-N]

Medicare Program; Medicare Appeals; Adjustment to the Amount in Controversy Threshold Amounts for Calendar Year 2008

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces the annual adjustment in the amount in controversy (AIC) threshold amounts for administrative law judge (ALJ) hearings and judicial review under the Medicare appeals process. The adjustment to the AIC threshold amounts will be effective for requests for ALJ hearings and judicial review filed on or after January 1, 2008. The 2008 AIC threshold amounts are \$120 for ALJ hearings and \$1,180 for judicial review.

EFFECTIVE DATE: This notice is effective on January 1, 2008.

FOR FURTHER INFORMATION CONTACT:

Arrah Tabe-Bedward, (410) 786-7129; Katherine Hosna, (410) 786-4993.

SUPPLEMENTARY INFORMATION:

I. Background

Section 1869(b)(1)(E) of the Social Security Act (the Act), as amended by Section 521 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA), established the AIC threshold amounts for ALJ hearing requests and judicial review at \$100 and \$1000, respectively, for Medicare Part A and Part B appeals. Section 940 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Medicare

Modernization Act "MMA"), amended section 1869(b)(1)(E) of the Act to require the AIC threshold amounts for ALJ hearings and judicial review be adjusted annually. The AIC threshold amounts are to be adjusted, as of January 2005, by the percentage increase in the medical care component of the consumer price index for all urban consumers (U.S. city average) for July 2003 to July of the year preceding the year involved and rounded to the nearest multiple of \$10. Section 940(b)(2) of the MMA provided conforming amendments to apply the AIC adjustment requirement to Medicare Part C (Medicare Advantage "MA") appeals and certain health maintenance organization and competitive health plan appeals. Health care prepayment plans are also subject to MA appeals rules, including the AIC adjustment requirement. Section 101 of the MMA provides for the application of the AIC adjustment requirement to Medicare Part D appeals.

A. Medicare Part A and Part B Appeals

The statutory formula for the annual adjustment to the AIC threshold amounts for ALJ hearings and judicial review of Medicare Part A and Part B appeals, set forth at section 1869(b)(1)(E) of the Act, is included in the applicable implementing regulations, 42 CFR part 405, Subpart I, at § 405.1006(b). The regulations require the Secretary of the Department of Health and Human Services (the Secretary) to publish changes to the AIC threshold amounts in the **Federal Register** (§ 405.1006(b)(2)). In order to be entitled to a hearing before an ALJ, a party to a proceeding must meet the AIC requirements at § 405.1006(c). Similarly, a party must meet the AIC requirement at the time judicial review is requested for the court to have jurisdiction over the appeal (§ 405.1136(a)).

B. Medicare Part C (Medicare Advantage) Appeals

Section 940(b)(2) of the MMA applies the AIC adjustment requirement to Part C (MA) appeals by amending section 1852(g)(5) of the Act. The implementing regulations for Medicare Part C appeals are found at 42 CFR part 422, Subpart M. Specifically, § 422.600 and § 422.612 discuss the AIC threshold amounts for ALJ hearings and judicial review.

Section 422.600 grants any party, except the MA organization, a right to an ALJ hearing as long as the amount remaining in controversy after reconsideration meets the threshold requirement established annually by the Secretary. Section 422.612 states that

any party, including the MA organization, may request judicial review if the amount in controversy meets the threshold requirement established annually by the Secretary.

C. Health Maintenance Organizations, Competitive Medical Plans, and Health Care Prepayment Plans

Section 940(b)(2) of the MMA also amended section 1876(c)(5)(B) of the Act to make section 1869(b)(1)(E) of the Act applicable to certain beneficiary appeals within the context of health maintenance organizations and competitive medical plans. The applicable implementing regulations for Medicare Part C appeals are set forth in 42 CFR part 422, Subpart M, and as discussed above, apply to these appeals. The Medicare Part C appeals rules also apply to health care prepayment plan appeals.

D. Medicare Part D (Prescription Drug Plan) Appeals

The annually adjusted AIC threshold amounts for ALJ hearings and judicial review that apply to Medicare Parts A, B, and C appeals also apply to Medicare Part D appeals. Section 101 of the MMA added section 1860D-4(h)(1) of the Act regarding Part D appeals. This statutory provision requires a prescription drug plan sponsor to meet the requirements set forth in sections 1852(g)(4) and (g)(5) of the Act, in a similar manner as MA organizations. As noted above, the

annually adjusted AIC threshold requirement was added to section 1852(g)(5) of the Act by section 940(b)(2)(A) of the MMA. The implementing regulations for Medicare Part D appeals can be found at 42 CFR part 423, Subpart M. The regulations impart at § 423.562(c) that unless the Part D appeals rules provide otherwise, the Part C appeals rules (including the annually adjusted AIC threshold amount) apply to Part D appeals to the extent they are appropriate. More specifically, § 423.610 and § 423.630 of the Part D appeals rules discuss the AIC threshold amounts for ALJ hearings and judicial review. Section 423.610(a) grants a Part D enrollee, who is dissatisfied with the Independent Review Entity (IRE) reconsideration determination, a right to an ALJ hearing if the amount remaining in controversy after the IRE reconsideration meets the threshold amount established annually by the Secretary. Section 423.630(a) allows a Part D enrollee to request judicial review if the AIC meets the threshold amount established annually by the Secretary.

II. Annual AIC Adjustments

A. AIC Adjustment Formula and AIC Adjustments

As previously noted, section 940 of the MMA requires that the AIC threshold amounts be adjusted annually, beginning in January of 2005, by the percentage increase in the

medical care component of the consumer price index (CPI) for all urban consumers (U.S. city average) for July 2003 to the July of the preceding year involved and rounded to the nearest multiple of \$10.

B. Calendar Year 2008

The AIC threshold amount for ALJ hearing requests will rise to \$120 and the AIC threshold amount for judicial review will rise to \$1,180 for the 2008 calendar year. These new amounts are based on the 18.2 percent increase in the medical care component of the CPI from July of 2003 to July of 2007. The CPI level was at 297.6 in July of 2003 and rose to 351.6 in July of 2007. This change accounted for the 18.2 percent increase. The AIC threshold amount for ALJ hearing requests changes to \$118.16 based on the 18.2 percent increase. In accordance with section 940 of the MMA, this amount is rounded to the nearest multiple of \$10. Therefore, the 2008 AIC threshold amount for ALJ hearings is \$120. The AIC threshold amount for judicial review changes to \$1,181.60 based on the 18.2 percent increase. This amount was rounded to the nearest multiple of \$10, resulting in a 2008 AIC threshold amount of \$1,180.

C. Summary Table of Adjustments in the AIC Threshold Amounts

In Table 1 below, we list the Calendar Year 2005 through 2008 threshold amounts.

TABLE 1.—AMOUNT-IN-CONTROVERSY THRESHOLD AMOUNTS

	CY 2005*	CY 2006	CY 2007	CY 2008
ALJ Hearing	\$100	\$110	\$110	\$120
Judicial Review	1050	1090	1130	1180

* CY—Calendar Year.

III. Collection of Information Requirements (If Applicable)

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 35).

Authority: Section of the Social Security Act (42 U.S.C.).

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program; No. 93.773, Medicare—Hospital Insurance Program; and No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: December 19, 2007.
Kerry Weems,
Acting Administrator, Centers for Medicare & Medicaid Services.
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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS-R9-IA-2007-N0002; 96300-1671-0000]

Receipt of Applications for Permit

AGENCY: Fish and Wildlife Service, Interior.
ACTION: Notice of receipt of applications for permit.

SUMMARY: The public is invited to comment on the following applications to conduct certain activities with endangered species and/or marine mammals.

DATES: Written data, comments or requests must be received by January 28, 2008.

ADDRESSES: Documents and other information submitted with these applications are available for review, subject to the requirements of the Privacy Act and Freedom of Information Act, by any party who submits a written request for a copy of such documents within 30 days of the date of publication of this notice to: U.S. Fish and Wildlife Service, Division of Management Authority, 4401 North Fairfax Drive,