The average cost per inspection is multiplied by a size/cost factor to determine the fee for vessels in each size category. The size/cost factor was established in the proposed fee schedule published in the **Federal Register** on July 17, 1987 (52 FR 27060), and revised in a schedule published in the **Federal Register** on November 28, 1989 (54 FR 48942). The revised size/cost factor is presented in Appendix A.

Fee: The fee schedule (Appendix A) will be effective October 1, 2003, through September 30, 2004. The fee schedule, which became effective October 1, 2001, will remain the same in 2004. If travel expenses continue to increase, the fees may need adjustment before September 30, 2004, because travel constitutes a sizable portion of VSP's costs. If an adjustment is necessary, a notice will be published in the **Federal Register** 30 days before the effective date.

Applicability: The fees will apply to all passenger cruise vessels for which inspections are conducted as part of CDC's VSP.

The Director, Management Analysis and Services Office, has been delegated the authority to sign **Federal Register** notices pertaining to announcements of meetings and other committee management activities for both the Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry.

Dated: August 18, 2003.

Diane C. Allen,

Acting Director, Management Analysis and Services Office, Centers for Disease Control and Prevention (CDC).

[FR Doc. 03–21513 Filed 8–21–03; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

[Document Identifier: CMS–10085]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare and Medicaid Services, HHS.

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Centers for Medicare and Medicaid Services (CMS) (formerly known as the Health Care Financing Administration (HCFA)), Department of Health and Human Services, is publishing the following summary of proposed collections for public comment.

Interested persons are invited to send comments regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Type of Information Request: Extension of a currently approved collection; *Type of Information Collection:* Medicaid Program: Demonstration to Improve the Direct Service Workforce; *CMS Form Number:* CMS–10085 (OMB# 0938–0896); *Use:* Executive Order 13217, "Community-Based Alternatives for Individuals with Disabilities" provides for the establishment of grants for states and community groups that develop and implement demonstration programs designed to increase the pool of direct care service workers, who help support people with disabilities in the community, through recruitment and retention strategies. State agencies and community groups will be applying for these grants; *Frequency:* On occasion; *Affected Public:* State, local, or tribal government; Not-for-profit institutions; *Number of Respondents:* 100; *Total Annual Responses:* 107; *Total Annual Burden Hours:* 6140.

To obtain copies of the supporting statement and any related forms for the proposed paperwork collections referenced above, access CMS's Web site address at *http://cms.hhs.gov/regulations/pra/default.asp*, or e-mail your request, including your address, phone number, OMB number, and CMS document identifier, to *Paperwork@hcfa.gov*, or call the Reports Clearance Office on (410) 786–1326. Written comments and recommendations for the proposed information collections must be mailed within 60 days of this notice directly to the CMS Paperwork Clearance Officer designated at the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development and Issuances, Attention: Dawn Willinghan, Room C5–14–03, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

Dated: August 14, 2003.

Dawn Willinghan,

Acting, CMS Reports Clearance Officer, Office of Strategic Operations and Strategic Affairs, Division of Regulations Development and Issuances.

[FR Doc. 03–21482 Filed 8–21–03; 8:45 am]

BILLING CODE 4120–03–U

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–2166–N]

RIN 0938–ZA17

State Children's Health Insurance Program; Final Allotments to States, the District of Columbia, and U.S. Territories and Commonwealths for Fiscal Year 2004

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

ACTION: Notice.

SUMMARY: Title XXI of the Social Security Act (the Act) authorizes payment of Federal matching funds to States, the District of Columbia, and U.S. Territories and Commonwealths to initiate and expand health insurance coverage to uninsured, low-income children under the State Children's Health Insurance Program (SCHIP). This notice sets forth the final allotments of Federal funding available to each State, the District of Columbia, and each U.S. Territory and Commonwealth for fiscal year 2004. States may implement SCHIP through a separate State program under title XXI of the Act, an expansion of a State Medicaid program under title XIX of the Act, or a combination of both.

EFFECTIVE DATE: This notice is effective on September 22, 2003. Final allotments are available for expenditures after October 1, 2003.

FOR FURTHER INFORMATION CONTACT: Richard Strauss, (410) 786–2019.

SUPPLEMENTARY INFORMATION:

I. Purpose of This Notice

This notice sets forth the allotments available to each State, the District of Columbia, and each U.S. Territory and Commonwealth for fiscal year (FY) 2004 under Title XXI of the Social Security Act (the Act). Final allotments for a fiscal year are available to match expenditures under an approved State child health plan for 3 fiscal years, including the year for which the final allotment was provided. The FY 2004 allotments will be available to States for FY 2004, and unexpended amounts may

be carried over to 2005 and 2006. Federal funds appropriated for title XXI are limited, and the law specifies a formula to divide the total annual appropriation into individual allotments available for each State, the District of Columbia, and each U.S. Territory and Commonwealth with an approved child health plan.

Section 2104(b) of the Act requires States, the District of Columbia, and U.S. Territories and Commonwealths to have an approved child health plan for the fiscal year in order for the Secretary to provide an allotment for that fiscal year. All States, the District of Columbia, and U.S. Territories and Commonwealths have approved plans for FY 2004. Therefore, the FY 2004 allotments contained in this notice pertain to all States, the District of Columbia, and U.S. Territories and Commonwealths.

II. Methodology for Determining Final Allotments for States, the District of Columbia, and U.S. Territories and Commonwealths.

This notice specifies, in the Table under section III, the final FY 2004 allotments available to individual States, the District of Columbia, and U.S. Territories and Commonwealths for either child health assistance expenditures under approved States child health plans or for claiming an enhanced Federal medical assistance percentage rate for certain SCHIP-related Medicaid expenditures. As discussed below, the FY 2004 final allotments have been calculated to reflect the methodology for determining an allotment amount for each State, the District of Columbia, and each U.S. Territory and Commonwealth as prescribed by section 2104(b) of the Act.

Section 2104(a) of the Act provides that, for purposes of providing allotments to the 50 States and the District of Columbia, the following amounts are appropriated: $4,295,000,000 for FY 1998; $4,275,000,000 for each FY 1999 through FY 2001; $3,150,000,000 for each FY 2002 through FY 2004; $4,050,000,000 for each FY 2005 through FY 2006; and $5,000,000,000 for FY 2007. However, under section 2104(c) of the Act, 0.25 percent of the total amount appropriated each year is available for allotment to the U.S. Territories and Commonwealths of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands. The total amounts are allotted to the U.S. Territories and Commonwealths according to the following percentages: Puerto Rico, 91.6 percent; Guam, 3.5 percent; the Virgin

Islands, 2.6 percent; American Samoa, 1.2 percent; and the Northern Mariana Islands, 1.1 percent.

Section 2104(c)(4)(B) of the Act provides for additional amounts for allotment to the Territories and Commonwealths: $34,200,000 for each FY 2000 through FY 2001; $25,200,000 for each FY 2002 through FY 2004; $32,400,000 for each FY 2005 through FY 2006; and $40,000,000 for FY 2007. Since, for FY 2004, title XXI of the Act provides an additional $25,200,000 for allotment to the U.S. Territories and Commonwealths, the total amount available for allotment to the U.S. Territories and Commonwealths in FY 2004 is $33,075,000; that is, $25,200,000 plus $7,875,000 (0.25 percent of the FY 2004 appropriations of $3,150,000,000).

Therefore, the total amount available nationally for allotment for the 50 States and the District of Columbia for FY 2004 was determined in accordance with the following formula:

$A_T = S_{2104(a)} - T_{2104(c)}$

A_T = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year.

$S_{2104(a)}$ = Total appropriation for the fiscal year indicated in section 2104(a) of the Act. For FY 2004, this is $3,150,000,000.

$T_{2104(c)}$ = Total amount available for allotment for the U.S. Territories and Commonwealths; determined under section 2104(c) of the Act as 0.25 percent of the total appropriation for the 50 States and the District of Columbia. For FY 2004, this is: $.0025 \times \$3,150,000,000 = \$7,875,000$.

Therefore, for FY 2004, the total amount available for allotment to the 50 States and the District of Columbia is $3,142,125,000. This was determined as follows:

A_T ($3,142,125,000) = $S_{2104(a)}$ ($3,150,000,000) − $T_{2104(c)}$ ($7,875,000)

For purposes of the following discussion, the term "State," as defined in section 2104(b)(1)(D)(ii) of the Act, "means one of the 50 States or the District of Columbia."

Under section 2104(b) of the Act, the determination of the number of children applied in determining the SCHIP allotment for a particular fiscal year is based on the three most recent March supplements to the Current Population Survey (CPS) of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The determination of the State cost factor is based on the annual average wages per

employee in the health services industry, which is determined using the most recent 3 years of such wage data as reported and determined as final by the Bureau of Labor Statistics (BLS) of the Department of Labor to be officially available before the beginning of the calendar year in which the fiscal year begins. Since FY 2004 begins on October 1, 2003 (that is, in calendar year 2003), in determining the FY 2004 SCHIP allotments, we are using the most recent official data from the Bureau of the Census and the BLS, respectively, available before January 1 of calendar year 2003 (that is, through the end of December 31, 2002).

Number of Children

For FY 2004, as specified by section 2104(b)(2)(A)(iii) of the Act, the number of children is calculated as the sum of 50 percent of the number of low-income, uninsured children in the State, and 50 percent of the number of low-income children in the State. The number of children factor for each State is developed from data provided by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in the annual CPS on these topics. As part of a continuing formal process between the Centers for Medicare & Medicaid Services (CMS) and the Bureau of the Census, each fiscal year we obtain the number of children data officially from the Bureau of the Census.

Under section 2104(b)(2)(B) of the Act, the number of children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income children with no health insurance as calculated from the three most recent March supplements to the CPS officially available from the Bureau of the Census before the beginning of the 2003 calendar year. In particular, through December 31, 2002, the most recent official data available from the Bureau of the Census on the numbers of children were data from the three March CPSs conducted in March 2000, 2001, and 2002 (representing data for years 1999, 2000, and 2001).

State Cost Factor

The State cost factor is based on annual average wages in the health services industry in the State. The State cost factor for a State is equal to the sum of: 0.15 and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee

in the health industry for the 50 States and the District of Columbia.

Under section 2104(b)(3)(B) of the Act, as amended by the Balanced Budget Refinement Act of 1999 (BBRA) Pub. L. 106–113, enacted on November 29, 1999, the State cost factor for each State for a fiscal year is calculated based on the average of the annual wages for employees in the health industry for each State using data for each of the most recent 3 years as reported and determined as final by the BLS in the Department of Labor and available before the beginning of the calendar year in which the fiscal year begins. Therefore, the State cost factor for FY 2004 is based on the most recent 3 years of BLS data officially available as final before January 1, 2003 (the beginning of the calendar year in which FY 2004 begins); that is, it is based on the BLS data available as final through December 31, 2002. In accordance with these requirements, we used the final State cost factor data available from BLS for 1999, 2000, and 2001 in calculating the FY 2004 final allotments.

The State cost factor is determined based on the calculation of the ratio of each State's average annual wages in the health industry to the national average annual wages in the health care industry. Since BLS is required to suppress certain State-specific data in providing us with the State-specific average wages per health services industry employee due to the Privacy Act, we calculated the national average wages directly from the State-specific data provided by BLS. As part of a continuing formal process between CMS and the BLS, each fiscal year CMS obtains these wage data officially from the BLS.

Section 2104(b)(3)(B) of the Act, as amended by the BBRA, refers to wage data as reported by BLS under the "Standard Industrial Classification" (SIC) system. However, in calendar year 2002, BLS phased-out the SIC wage and employment reporting system and replaced it with the "North American Industry Classification System" (NAICS). In accordance with section 2104(b)(3)(B) of the Act, for purposes of calculating the FY 2004 allotments, BLS would need to provide wage data for the 3 most recent years as available through December 31, 2002; in this case, the 3 years of wage data are 1999, 2000, and 2001. However, because of the change from the SIC system to NAICS, wage data for 2001 are not available under the SIC reporting system. Wage data for 1999 and 2000 under the SIC reporting system are available from BLS. Therefore, the BLS wage data used in calculating the FY 2004 SCHIP

allotments necessarily reflect 2 years of SIC system data (1999 and 2000) and one year of NAICS data (2001) to obtain the 3-year average required for the allotments.

Under the SIC system, BLS provided CMS with wage data for each State under the SIC Code 80 for the years 1999 and 2000. However, the wage data codes under the SIC system do not map exactly to the wage data codes under the NAICS. As a result, for the year 2001 BLS provided us with wage data using three NAICS wage data codes that represent approximately 98 percent of the wage data that would have been provided under the related SIC Code 80. Specifically, in lieu of SIC Code 80 data, for the year 2001 BLS provided CMS data that are based on the following three NAICS codes: NAICS Code 621 (Ambulatory health care services), Code 622 (Hospitals), and Code 623 (Nursing and residential care facilities).

Under section 2104(b)(4) of the Act, each State and the District of Columbia is allotted a "proportion" of the total amount available nationally for allotment to the States. The term "proportion" is defined in section 2104(b)(4)(D)(i) of the Act and refers to a State's share of the total amount available for allotment for any given fiscal year. In order for the entire total amount available to be allotted to the States, the sum of the proportions for all States must exactly equal one. Under the statutory definition, a State's proportion for a fiscal year is equal to the State's allotment for the fiscal year divided by the total amount available nationally for allotment for the fiscal year. In general, a State's allotment for a fiscal year is calculated by multiplying the State's proportion for the fiscal year by the national total amount available for allotment for that fiscal year in accordance with the following formula:

$SA_i = P_i \times A_T$

SA_i = Allotment for a State or District of Columbia for a fiscal year.
P_i = Proportion for a State or District of Columbia for a fiscal year.
A_T = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year. For FY 2004, this is $3,142,125,000.

In accordance with the statutory formula for determining allotments, the State proportions are determined under two steps, which are described below in further detail.

Under the first step, each State's proportion is calculated by multiplying the State's Number of Children and the State Cost Factor to determine a "product" for each State. The products

for all States are then summed. Finally, the product for a State is divided by the sum of the products for all States, thereby yielding the State's preadjusted proportion.

Application of Floors and Ceilings

Under the second step, the preadjusted proportions are subject to the application of proportion floors, ceilings, and a reconciliation process, as appropriate. The SCHIP statute specifies three proportion floors, or minimum proportions, that apply in determining States' allotments. The first proportion floor is equal to $2,000,000 divided by the total of the amount available nationally for the fiscal year. This proportion ensures that a State's minimum allotment would be $2,000,000. For FY 2004, no State's preadjusted proportion is below this floor. The second proportion floor is equal to 90 percent of the allotment proportion for the State for the previous fiscal year; that is, a State's proportion for a fiscal year must not be lower than 10 percent below the previous fiscal year's proportion. The third proportion floor is equal to 70 percent of the allotment proportion for the State for FY 1999; that is, the proportion for a fiscal year must not be lower than 30 percent below the FY 1999 proportion.

Each State's allotment proportion for a fiscal year is also limited by a maximum ceiling amount, equal to 145 percent of the State's proportion for FY 1999; that is, a State's proportion for a fiscal year must be no higher than 45 percent above the State's proportion for FY 1999. The floors and ceilings are intended to minimize the fluctuation of State allotments from year to year and over the life of the program as compared to FY 1999. The floors and ceilings on proportions are not applicable in determining the allotments of the U.S. Territories and Commonwealths; they receive a fixed percentage specified in the statute of the total allotment available to the U.S. Territories and Commonwealths.

As determined under the first step for determining the States' preadjusted proportions, which is applied before the application of any floors or ceilings, the sum of the proportions for all the States and the District of Columbia will be equal to exactly one. However, the application of the floors and ceilings under the second step may change the proportions for certain States; that is, some States' proportions may need to be raised to the floors, while other States' proportions may need to be lowered to the maximum ceiling. If this occurs, the sum of the proportions for all States and the District of Columbia may not exactly

equal one. In that case, the statute requires the proportions to be adjusted, under a method that is determined by whether the sum of the proportions is greater or less than one.

The sum of the proportions would be greater than one if the application of the floors and ceilings resulted in raising the proportions of some States (due to the application of the floors) to a greater degree than the proportions of other States were lowered (due to the application of the ceiling). If, after application of the floors and ceiling, the sum of the proportions is greater than one, the statute requires the Secretary to determine a maximum percentage increase limit, which, when applied to the State proportions, would result in the sum of the proportions being exactly one.

If, after the application of the floors and ceiling, the sum of the proportions is less than one, the statute requires the States' proportions to be increased in a "pro rata" manner so that the sum of the proportions again equals one. Finally, it is also possible, although unlikely, that the sum of the proportions (after the application of the floors and ceiling) will be exactly one; in that case, the proportions would require no further adjustment.

Determination of Preadjusted Proportions

The following is an explanation of how we applied the two State-related factors specified in the statute to determine the States' "preadjusted" proportions for FY 2004. The term "preadjusted," as used here, refers to the States' proportions before the application of the floors and ceiling and adjustments, as specified in the SCHIP statute. The determination of each State and the District of Columbia's preadjusted proportion for FY 2004 is in accordance with the following formula:

$$PP_i = (C_i \times SCF_i) / \sigma(C_i \times SCF_i)$$

PP_i = Preadjusted proportion for a State or District of Columbia for a fiscal year.

C_i = *Number of children* in a State (section 2104(b)(1)(A)(i) of the Act) for a fiscal year. This number is based on the number of low-income children for a State for a fiscal year and the number of low-income uninsured children for a State for a fiscal year determined on the basis of the arithmetic average of the number of such children as reported and defined in the three most recent March supplements to the CPS of the Bureau of the Census, officially available before the beginning of the calendar year

in which the fiscal year begins. (*See* section 2104(b)(2)(B) of the Act.)

For fiscal year 2004, the number of children is equal to the sum of 50 percent of the number of low-income uninsured children in the State for the fiscal year and 50 percent of the number of low-income children in the State for the fiscal year. (*See* section 2104(b)(2)(A)(iii) of the Act.)

SCF_i = *State Cost Factor* for a State (section 2104(b)(1)(A)(ii) of the Act). For a fiscal year, this is equal to: $0.15 + 0.85 \times (W_i/W_N)$.

W_i = The annual average wages per employee for a State for such year (section 2104(b)(3)(A)(ii)(I) of the Act).

W_N = The annual average wages per employee for the 50 States and the District of Columbia (section 2104(b)(3)(A)(ii)(II) of the Act). The annual average wages per employee for a State or for all States and the District of Columbia for a fiscal year is equal to the average of such wages for employees in the health services industry, as reported and determined as final by the BLS of the Department of Labor for each of the most recent 3 years officially available before the beginning of the calendar year in which the fiscal year begins. (*See* section 2104(b)(3)(B) of the Act).

$\Sigma(C_i \times SCF_i)$ = The sum of the products of $(C_i \times SCF_i)$ for each State (section 2104(b)(1)(B) of the Act).

The resulting proportions would then be subject to the application of the floors and ceilings specified in the SCHIP statute and reconciled, as necessary, to eliminate any deficit or surplus of the allotments because the sum of the proportions was either greater than or less than one.

Section 2104(e) of the Act requires that the amounts allotted to a state for a fiscal year be available to the State for a total of 3 years; the fiscal year for which the amounts are allotted, and the 2 following fiscal years.

III. Table of State Children's Health Insurance Program Final Allotments for FY 2004

Key to Table

Column/Description

Column A = *State.* Name of State, District of Columbia, U.S. Commonwealth or Territory.

Column B = *Number of Children.* The number of children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income uninsured children,

and is based on the three most recent March supplements to the CPS of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The FY 2004 allotments were based on the 2000, 2001, and 2002 March supplements to the CPS. These data represent the number of people in each State under 19 years of age whose family income is at or below 200 percent of the poverty threshold appropriate for that family, and who are reported to be without health insurance coverage. The number of children for each State was developed by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in its annual March CPS on these topics.

For FY 2004, the number of children is equal to the sum of 50 percent of the number of low-income uninsured children in the State and 50 percent of the number of low-income children in the State.

Column C = *State Cost Factor.* The State cost factor for a State is equal to the sum of: 0.15, and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee in the health industry for the 50 States and the District of Columbia. The State cost factor for each State was calculated based on such wage data for each State as reported and determined as final by the BLS in the Department of Labor for each of the most recent 3 years and available before the beginning of the calendar year in which the fiscal year begins. The FY 2004 allotments were based on final BLS wage data for 1999, 2000, and 2001.

Column D = *Product.* The Product for each State was calculated by multiplying the Number of Children in Column B by the State Cost Factor in Column C. The sum of the Products for all 50 States and the District of Columbia is below the Products for each State in Column D. The Product for each State and the sum of the Products for all States provides the basis for allotment to States and the District of Columbia.

Column E = *Proportion of Total.* This is the calculated percentage share for each State of the total allotment available to the 50 States and the District of Columbia. The Percent Share of Total is calculated as the ratio of the Product for each State in Column D to the sum of the Products for all 50 States and the District of Columbia below the Products for each State in Column D.

Column F = *Adjusted Proportion of Total.* This is the calculated percentage share for each State of the total allotment available after the application

of the floors and ceilings and after any further reconciliation needed to ensure that the sum of the State proportions is equal to one. The three floors specified in the statute are: (1) The percentage calculated by dividing $2,000,000 by the total of the amount available for all allotments for the fiscal year; (2) an annual floor of 90 percent of (that is, 10 percent below) the preceding fiscal year's allotment proportion; and (3) a cumulative floor of 70 percent of (that is, 30 percent below) the FY 1999 allotment proportion. There is also a cumulative ceiling of 145 percent of (that is, 45 percent above) the FY 1999 allotment proportion.

Column G = *Allotment.* This is the SCHIP allotment for each State, Commonwealth, or Territory for the fiscal year. For each of the 50 States and the District of Columbia, that is determined as the Adjusted Proportion of Total in Column F for the State multiplied by the total amount available for allotment for the 50 States and the District of Columbia for the fiscal year.

For each of the U.S. Territory and Commonwealths, the allotment is determined as the Proportion of Total in Column E multiplied by the total amount available for allotment to the U.S. Territories and Commonwealths. For the U.S. Territories and

Commonwealths, the Proportion of Total in Column E is specified in section 2104(c) of the Act. The total amount is then allotted to the U.S. Territories and Commonwealths according to the percentages specified in section 2104 of the Act. There is no adjustment made to the allotments of the U.S. Territories and Commonwealths as they are not subject to the application of the floors and ceiling. As a result, Column F in the table, the Adjusted Proportion of Total, is empty for the U.S. Territories and Commonwealths.

BILLING CODE 4120–01–P

STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENTS FOR FEDERAL FISCAL YEAR:						2004
A	B	C	D	E	F	G
STATE	NUMBER OF CHILDREN (000)	STATE COST FACTOR	PRODUCT	PROPORTION OF TOTAL (3)	ADJUSTED PROPORTION OF TOTAL (3)	ALLOTMENT (1)
ALABAMA	314	0.9651	302.5447	1.7328%	1.7402%	$54,679,333
ALASKA	38	1.0421	39.5996	0.2268%	0.2278%	$7,156,891
ARIZONA	453	1.0629	481.5082	2.7578%	2.7696%	$87,023,654
ARKANSAS	215	0.9047	194.0635	1.1115%	1.1162%	$35,073,372
CALIFORNIA	2,701	1.0941	2,954.6099	16.9220%	16.9946%	$533,990,797
COLORADO	241	1.0301	248.2437	1.4218%	1.4279%	$44,865,429
CONNECTICUT	141	1.1017	154.7884	0.8865%	0.8903%	$27,975,129
DELAWARE	35	1.1199	39.1972	0.2245%	0.2488%	$7,817,461
DISTRICT OF COLUMBIA	33	1.2070	39.8323	0.2281%	0.2291%	$7,198,952
FLORIDA	1,054	1.0169	1,071.2850	6.1356%	6.1619%	$193,614,837
GEORGIA	574	1.0023	574.8473	3.2923%	3.3065%	$103,892,954
HAWAII	66	1.1178	73.7720	0.4225%	0.3071%	$9,647,963
IDAHO	106	0.8894	93.8299	0.5374%	0.5397%	$16,958,002
ILLINOIS	661	1.0134	669.3338	3.8335%	3.8499%	$120,969,643
INDIANA	317	0.9445	298.9336	1.7121%	1.7194%	$54,026,680
IOWA	125	0.8722	109.0205	0.6244%	0.6271%	$19,703,423
KANSAS	147	0.8891	130.2592	0.7460%	0.7492%	$23,541,920
KENTUCKY	232	0.9390	217.3764	1.2450%	1.2503%	$39,286,749
LOUISIANA	407	0.8772	357.0114	2.0447%	2.0535%	$64,523,178
MAINE	57	0.9197	52.4233	0.3002%	0.3015%	$9,474,540
MARYLAND	192	1.0437	199.8620	1.1447%	1.1496%	$36,121,348
MASSACHUSETTS	279	1.0651	297.1598	1.7019%	1.4704%	$46,201,047
MICHIGAN	488	1.0107	493.2086	2.8248%	2.8369%	$89,138,280
MINNESOTA	171	1.0074	171.7662	0.9838%	0.9747%	$30,626,504
MISSISSIPPI	229	0.8915	204.1556	1.1693%	1.1743%	$36,897,326
MISSOURI	250	0.9279	231.9657	1.3285%	1.3342%	$41,923,481
MONTANA	66	0.8587	56.2440	0.3221%	0.3244%	$10,193,881
NEBRASKA	85	0.8925	75.8655	0.4345%	0.4415%	$13,872,884
NEVADA	149	1.1612	172.4324	0.9876%	0.9918%	$31,163,957
NEW HAMPSHIRE	42	1.0108	41.9467	0.2402%	0.2550%	$8,013,366
NEW JERSEY	322	1.1082	356.2728	2.0405%	2.0492%	$64,389,677
NEW MEXICO	186	0.9383	174.5154	0.9995%	1.0435%	$32,788,606
NEW YORK	1,130	1.0604	1,197.6656	6.8594%	6.8888%	$216,455,790
NORTH CAROLINA	511	0.9905	505.6368	2.8959%	2.7292%	$85,753,907
NORTH DAKOTA	35	0.8665	30.3277	0.1737%	0.1730%	$5,436,695
OHIO	602	0.9549	574.3513	3.2895%	3.3036%	$103,803,316
OKLAHOMA	257	0.8593	220.8462	1.2649%	1.4201%	$44,621,756
OREGON	208	1.0124	210.5710	1.2060%	1.2112%	$38,056,795
PENNSYLVANIA	556	0.9836	546.3788	3.1293%	3.1427%	$98,747,809
RHODE ISLAND	43	0.9608	40.8340	0.2339%	0.2349%	$7,379,988
SOUTH CAROLINA	241	0.9974	239.8867	1.3739%	1.3798%	$43,355,057
SOUTH DAKOTA	36	0.8899	32.0373	0.1835%	0.1843%	$5,790,144
TENNESSEE	320	1.0021	320.6857	1.8367%	1.8445%	$57,957,983
TEXAS	1,937	0.9451	1,830.6255	10.4846%	10.5295%	$330,851,514
UTAH	148	0.9007	133.2978	0.7634%	0.7667%	$24,091,106
VERMONT	27	0.8961	23.7474	0.1360%	0.1214%	$3,813,156
VIRGINIA	314	0.9818	308.2741	1.7656%	1.7732%	$55,714,814
WASHINGTON	306	0.9662	295.1792	1.6906%	1.6017%	$50,326,484
WEST VIRGINIA	116	0.8948	103.8024	0.5945%	0.5971%	$18,760,354
WISCONSIN	248	0.9726	240.7161	1.3787%	1.3846%	$43,504,958
WYOMING	30	0.9133	27.4004	0.1569%	0.1576%	$4,952,110
TOTAL STATES ONLY			17,460.1388	100.0000%	100.0000%	$3,142,125,000
ALLOTMENTS FOR COMMONWEALTHS AND TERRITORIES (2)						
PUERTO RICO				91.6%		$30,296,700
GUAM				3.5%		$1,157,625
VIRGIN ISLANDS				2.6%		$859,950
AMERICAN SAMOA				1.2%		$396,900
N. MARIANA ISLANDS				1.1%		$363,825
TOTAL COMMONWEALTHS AND TERRITORIES ONLY				100.0%		$33,075,000
TOTAL STATES AND COMONWEALTHS AND TERRITORIES						$3,175,200,000

FOOTNOTES

The numbers in Columns B - F are rounded for presentation purposes; the actual numbers used in the allotment calculations are not rounded

(1) Total amount available for allotment to the 50 States and the District of Columbia is $3,142,125,000; determined as the fiscal year appropriation ($3,150,000,000) reduced by the total amount available for allotment to the Commonwealths and Territories under section 2104(c) of the Act ($7,875,000)

(2) Total amount available for allotment to the Commonwealths and Territories is $7,875,000 (.25 percent of $3,150,000,000, the fiscal year appropriation), plus $25,200,000, as specified in section 2104(c)(4)(B) of the Act

(3) Percent share of total amount available for allotment to the Commonwealths and Territories is as specified in section 2104(c) of the Act

BILLING CODE 4120–01–C

IV. Impact Statement

We have examined the impacts of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 16, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded

Mandates Reform Act of 1995 (Pub. L. 104–4), and Executive Order 13132.

We examined the impact of this notice as required by Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when rules are necessary, to select regulatory approaches that maximize net benefits (including potential economic environments, public health and safety, other advantages, distributive impacts, and equity). We believe that this notice is consistent with the regulatory philosophy and principles identified in the Executive Order. The formula for the allotments is specified in the statute. Since the formula is specified in the statute, we have no discretion in determining the allotments. This notice merely announces the results of our application of this formula, and therefore does not reach the economic significance threshold of $100 million in any one year.

The RFA requires agencies to analyze options for regulatory relief of small businesses. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and government agencies. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $6 million to $29 million in any one year. Individuals and States are not included in the definition of a small entity; therefore, this requirement does not apply.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 604 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 of a Metropolitan Statistical Area and has fewer than 100 beds.

The Unfunded Mandates Reform Act of 1995 requires that agencies prepare an assessment of anticipated costs and benefits before publishing any notice that may result in an annual expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $110 million or more (adjusted each year for inflation) in any one year. This notice will not create an unfunded mandate on States, tribal, or local governments because it merely notifies states of their SCHIP allotment for FY 2004 and does not mandate any additional expenditures by these governments. Therefore, we are not required to perform an assessment of the

costs and benefits of this notice, in accordance with the Unfunded Mandates Reform Act.

Low-income children will benefit from payments under SCHIP through increased opportunities for health insurance coverage. We believe this notice will have an overall positive impact by informing States, the District of Columbia, and U.S. Territories and Commonwealths of the extent to which they are permitted to expend funds under their child health plans using their FY 2004 allotments.

Under Executive Order 13132, we are required to adhere to certain criteria regarding Federalism. We have reviewed this notice and determined that it does not significantly affect States' rights, roles, and responsibilities because it does not set forth any new policies.

For these reasons, we are not preparing analyses for either the RFA or section 1102(b) of the Act because we have determined, and we 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.

(Section 1102 of the Social Security Act (42 U.S.C. 1302))

(Catalog of Federal Domestic Assistance Program No. 93.767, State Children's Health Insurance Program)

Dated: April 2, 2003.

Thomas A. Scully,
Administrator, Centers for Medicare & Medicaid Services.

Dated: April 29, 2003.

Tommy G. Thompson,
Secretary.

[FR Doc. 03–21439 Filed 8–21–03; 8:45 am]
BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–2136–FN]

RIN 0938–AL79

Medicaid Program; State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals: Federal Fiscal Year 2002

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

SUMMARY: In this notice, we are adopting as final the proposed expenditures allotted under sections 1902(a)(10)(E)(iv)(I) and (II) of the Social Security Act (the Act) to participating State agencies to pay all, or some portion of, Medicare Part B premium costs for a specified category of eligible low-income Medicare beneficiaries called qualifying individuals (QIs) during Federal fiscal year 2002. The proposed notice announcing the update was published in the August 30, 2002 **Federal Register**. Federal fiscal year 2002 is the final year that these allotments are authorized under the Act. However, the Congress has extended funding at the same level for one group of QIs for fiscal year 2003.

EFFECTIVE DATE: This final notice is effective on October 21, 2003.

FOR FURTHER INFORMATION CONTACT: Robert Nakielny, (410) 786–4466.

I. Background

A. Before the Balanced Budget Act of 1997

Before enactment of the Balanced Budget Act of 1997 (BBA), section 1902(a)(10)(E) of the Social Security Act specified that State Medicaid plans must provide Medicare cost-sharing for three groups of eligible low-income Medicare beneficiaries. These three groups include: 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 (Hospital Insurance) with an income that falls 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 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 Medicare premiums, although QDWIs only qualify to have Medicaid pay their Medicare Part A premiums, and SLMBs only qualify to have Medicaid pay their Medicare Part B premiums.