

III. Impact Statement

HCFA has 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.

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 expenditure in any year by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted each year for inflation). Because participation in the SCHIP program on the part of States is voluntary, any payments and expenditures States make or incur on behalf of the program that are not reimbursed by the federal government are made voluntarily. This notice will not create unfunded mandate on States, tribal or local governments. Therefore, we are not required to perform an assessment of the costs and benefits of these regulations.

Under Executive Order 12612, Federalism, we have reviewed this notice and determined that it does not significantly affect States' rights, roles, and responsibilities. Low-income children will benefit from payments under this program through increased opportunities for health insurance coverage.

We believe this notice has an overall positive impact by informing States, Commonwealths, and Territories of the extent to which they are permitted to expend funds under their State child health plans using their FYs 1998 and 1999 allotments.

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. 00.000, State Children's Health Insurance Program)

Dated: March 22, 2000.

Nancy-Ann Min DeParle,
*Administrator, Health Care Financing,
Administration.*

Dated: March 27, 2000.

Donna E. Shalala,
Secretary.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

[HCFA-2067-N]

RIN 0938-AJ94

State Children's Health Insurance Program; Final Allotments to States, the District of Columbia, and U.S. Territories and Commonwealths for Fiscal Year 2000

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

ACTION: Notice.

SUMMARY: 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 (FY) 2000 under title XXI of the Social Security Act (the Act).

Established by section 4901 of the Balanced Budget Act (BBA) of 1997 (Public Law 105-33), title XXI of 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 a new State Children's Health Insurance Program (SCHIP). States may implement SCHIP through a separate State program under title XXI, an expansion of a State Medicaid program under title XIX, or a combination of both. Recent legislation, the Medicare, Medicaid and SCHIP Balanced Budget Refinement Act (BBRA) of 1999 (Public Law 106-113, enacted November 29, 1999), amended title XXI of the Act in part by modifying the SCHIP allotment formula effective with the FY 2000 allotments. The FY 2000 allotments contained in this notice were determined under the new SCHIP allotment formula.

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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 FY 2000 under title XXI of the Social Security Act (the Act). In prior years, we published "reserved" allotments at the beginning of the fiscal year and then "final" allotments at some later time, because it was not certain at the beginning of the fiscal year that every State, the District of Columbia, and every U.S. Territory and Commonwealth would qualify for an allotment. As we explain below, each State, the District of Columbia, and each U.S. Territory and Commonwealth has now qualified for an allotment by having an approved State child health plan for the fiscal year. Therefore, publication of "reserved" allotments is not necessary.

Final allotments for a fiscal year are available to match expenditures under an approved State child health plan for three fiscal years, including the year for which the final allotment was provided. 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. The allotment formula outlined in title XXI has been modified with the enactment of Public Law 106-113 on November 29, 1999, as described under section II of this notice.

Section 2104(b) of the Act indicates that "the Secretary shall allot to each State * * * with a State child health plan approved under this title." This language 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 had approved plans prior to the end of FY 1999.

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 2000 allotments available to individual States, the District of Columbia, and U.S. Territories and Commonwealths for child health assistance expenditures under approved State child health plans. As discussed below, the FY 2000 final allotments have been calculated to reflect the way title XXI, as amended by the new Public Law 106-113, prescribes the process for determining an allotment amount for each State, the District of Columbia, and each U.S. Territory and Commonwealth. As a result of the recent changes to the allotment formula, the calculation of the allotments for FY 2000 and subsequent fiscal years differs from the way the FY 1998 and FY 1999 allotments were calculated for the first two years of the program.

We have applied the statutory formula specified in section 2104(b) of the Act, as modified by section 701 of the BBRA of 1999, to calculate the final allotments for FY 2000, as discussed below. The recent legislative changes will reduce the variability of individual State allotments from year to year and over a number of years. The new formula results in more stable federal allotments, which may permit States to more effectively plan and budget their State programs.

Section 2104(a) of title XXI provides that, for purposes of providing allotments to the 50 States and the District of Columbia, the following amounts are appropriated: \$4.295 billion for FY 1998; \$4.275 billion for each fiscal year FY 1999 through FY 2001; \$3.150 billion for each FY 2002

through 2004; \$4.050 billion for each FY 2005 through 2006 and \$5 billion 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 702 of the BBRA of 1999, provides for additional funds available for allotment only to the U.S. Territories and Commonwealths for fiscal years 2000 to 2007. Under this new provision, an additional \$34.2 million is made available for allotment to the U.S. Territories and Commonwealths in fiscal years 2000 and 2001; \$25.2 million in fiscal years 2002 through 2004; \$32.4 million for fiscal years 2005 and 2006; and \$40 million for fiscal year 2007. Therefore, the total amount available for allotment to the U.S. Territories and Commonwealths in FY 2000 is \$44,887,500 (that is, \$34,200,000 plus \$10,687,500 (.25 percent of the FY 2000 appropriation of \$4,275,000,000)).

Furthermore, under sections 4921 and 4922 of Public Law 105-33, the total amount available for allotment to the 50 States and the District of Columbia is reduced by an additional total of \$60,000,000; \$30,000,000 to Public Health Service for a special diabetes research program for children with Type I diabetes, and \$30 million for special diabetes programs for Indians. The diabetes programs are funded from FYs 1998 through 2002 only.

Therefore, the total amount available nationally for allotment for the 50 States and the District of Columbia for FY 2000 was determined in accordance with the following formula:

$$A_T = S_{2104(a)} - T_{2104(c)} - D_{4921} - D_{4922}$$

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 2000, this is \$4,275,000,000.

$T_{2104(c)}$ = 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 2000, this is: .0025 x

\$4,275,000,000 = \$10,687,500
 D_{4921} = Amount of grant for research regarding Type I Diabetes under section 4921 of the Balanced Budget Act of 1997. This is \$30,000,000 for each of the fiscal years 1998 through 2002.

D_{4922} = Amount of grant for diabetes programs for Indians under section 4922 of the BBA. This is \$30,000,000 for each of the fiscal years 1998 through 2002. Therefore, for FY 2000 the total amount available for allotment to the 50 States and the District of Columbia is \$4,204,312,500. This was determined as follows:

$$A_T(\$4,204,312,500) = S_{2104(a)}(\$4,275,000,000) - T_{2104(c)}(\$10,687,500) - D_{4921}(\$30,000,000) - D_{4922}(\$30,000,000)$$

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."

Public Law 106-113 amended title XXI such that, beginning with FY 2000, the determination of the Number of Children for a fiscal year is based on the three most recent March supplements to the Current Population Survey (CPS) of the Bureau of the Census before the beginning of the calendar year in which the fiscal year begins. Similarly, the determination of the State Cost Factor is based on the Annual Average Wages Per Employee in the health services industry, which is determined by the most recent three years of such wage data reported by the Bureau of Labor Statistics of the Department of Labor prior to the beginning of the calendar year in which the fiscal year begins.

Therefore, for FY 2000 and subsequent fiscal years, we will use the most recent official data from the Bureau of the Census and Bureau of Labor Statistics, respectively, available prior to January 1 of the calendar year in which the fiscal year begins. Specifically, in determining the FY 2000 allotments in this notice, we utilized the most recent data available from the Bureau of the Census and the Bureau of Labor Statistics prior to January 1, 1999, because FY 2000 begins on October 1, 1999 in calendar year 1999. This is a change from the first two years of the program, in which the Number of Children and the State Cost Factor were based on the most recent data available before the beginning of the fiscal year.

Number of Children

Section 701(a)(1) of the BBRA of 1999 accelerated the phase-in of the blend of the numbers of uninsured low-income children and low-income children

specified in the statute, which are used in determining the Number of Children factor. Prior to this legislative change, the Number of Children for FYs 1998 through 2000 would have been based on the total number of low-income uninsured children in the State. As a result of the legislative change, the total number of uninsured low-income children in the State is only used for determining the Number of Children factor for FYs 1998 and 1999. Under the legislation, for FY 2000 the Number of Children is now calculated as the sum of 75 percent of the number of low-income, uninsured children in the State, and 25 percent of the number of low-income children in the State. For FY 2001 and succeeding years through FY 2007, 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 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 HCFA and the Bureau of the Census, each fiscal year HCFA obtains the Number of Children data officially from the Bureau of the Census.

Under section 2104(b)(2)(B) of the Act, as amended by section 701(a)(3) of the BBRA of 1999, in determining the FY 2000 final allotments, 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 1999 calendar year. In particular, through December 31, 1998, 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 1996, 1997, and 1998.

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: .15, and .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 section 701(a)(4) of the BBRA of 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 as reported, determined, available as final, and provided to HCFA by the Bureau of Labor Statistics (BLS) in the Department of Labor for each of the most recent three years available before the beginning of the calendar year in which the fiscal year begins. For example, FY 2000 begins on October 1, 1999, that is, FY 2000 begins during calendar year 1999. Therefore, the State cost factor for FY 2000 would be based on the most recent three years of BLS data available as final before January 1, 1999 (the beginning of the calendar year in which FY 2000 begins), that is, it would be based on the BLS data available as final through December 31, 1998. In accordance with these requirements, we used the final State Cost Factor data available from BLS for 1994, 1995, and 1996 in calculating the FY 2000 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. In order for the National average to appropriately reflect the State-specific suppressed data, HCFA calculated the National average wages directly from the State-specific data provided by BLS. This was necessary because, due to the Privacy Act, BLS is required to suppress certain State-specific data in providing HCFA with the State-specific average wages per health services industry employee. As part of a continuing formal process between HCFA and the BLS, each fiscal year HCFA obtains these wage data officially from the BLS.

Under section 2104(b)(4) of the Act, as amended by section 701(a)(2) of the BBRA of 1999, 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. 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. 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:

$$SA_i = P_i \times AT$$

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.

AT = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year. For FY 2000, this is \$4,204,312,500.

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, which was added by section 701(a)(2) of the BBRA of 1999, the preadjusted proportions are subject to the application of proportion floors, ceilings and a reconciliation process, as appropriate. The amended 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. For FY 2000, 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 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. Note, 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, which is applied prior to 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 that the proportions will need 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 floor) to a greater degree than the proportions of other States were lowered (due to the ceiling). If, after application of the floors and ceiling, the sum of the proportions is greater than one, the new 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 States' proportions must be increased in a "pro rata" manner so that the sum of the proportions again equals one. It is also possible, although unlikely, that the sum of the proportions (after the applications of the floors and ceilings) will be exactly one, and therefore, the proportions would require no further adjustment.

Determination of Preadjusted Proportions

Following is an explanation of how HCFA applied the two State-related factors specified in the statute to determine the States' preadjusted proportions for FY 2000. The term "preadjusted," as used here, refers to the States' proportions prior to the application of the floors and ceiling and adjustments, as specified in the BBRA of 1999. The determination of each State and the District of Columbia's

preadjusted proportion for FY 2000 and subsequent fiscal years 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)) 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 coverage for the 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 Current Population Survey of the Bureau of the Census, and for FY 2000 and subsequent fiscal years, officially available before the beginning of the calendar year in which the fiscal year begins. (Section 2104(b)(2)(B) of the Act).

For fiscal year 2000, the number of children is equal to the sum of 75 percent of the number of low-income uninsured children in the State for the fiscal year and 25 percent of the number of low-income children in the State for the fiscal year. For fiscal years 2001 and thereafter, 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. (Section 2104(b)(2)(A) 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:

$$.15 + .85 \times (W_i / W_N)$$

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 (SIC 80), as reported by the Bureau of Labor Statistics of the Department of Labor for each of the most recent three years, and for FY 2000 and subsequent fiscal years, finally available before the beginning of the calendar year in which the fiscal year begins. (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 Public Law 106-113 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 amount of a State's allotment for a fiscal year be available to the State for a total of three years, the fiscal year for which the State child health plan is approved and two years following. Section 2104(f) of the Act requires the Secretary to establish a process for redistribution of the amounts of States' allotments that are not expended during the three-year period to States that have fully expended their allotments.

III. Table of State Children's Health Insurance Program Final Allotments for FY 2000

Key to Table

Column/Description

Column A = Name of State, 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 Current population survey of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The FY 2000 allotments were based on the 1996, 1997, and 1998 March supplements to the Current Population Survey. 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 not covered by health insurance. 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 their annual March Current Population Surveys on these topics.

For FY 2000, the Number of Children is equal to the sum of 75 percent of the number of low-income uninsured children in the State and 25 percent of the number of low-income children in the State. For FY 2001 and succeeding years, 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: .15, and .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 final wage data for each State as reported, determined, and provided to HCFA by the BLS in the Department of Labor for each of the most recent three years before the beginning of the calendar year in which the fiscal year begins. The FY 2000 allotments were based on final BLS wage data for 1994, 1995, and 1996.

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 amended statute are: (1) A floor of \$2,000,000 divided by the total of the amount available; (2) an annual floor of 90 percent of (or 10 percent below) the preceding fiscal year's allotment proportion; and (3) a cumulative floor of 70 percent of (or 30 percent below) the FY 1999 allotment proportion. There is also a cumulative ceiling of 145 percent of (or 45 percent above) the FY 1999 allotment proportion.

Column G=Allotment. This is the State Children's Health Insurance Program allotment for each State,

Commonwealth, or Territory for the fiscal year. For each of the 50 States and the District of Columbia, this 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 Commonwealth, 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:						2000
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	235	0.9600	225.61	1.67%	1.83%	\$77,012,259
ALASKA	30	1.0500	31.24	0.23%	0.18%	\$7,730,025
ARIZONA	398	1.0521	418.73	3.10%	3.10%	\$130,213,077
ARKANSAS	207	0.8891	184.28	1.36%	1.28%	\$53,754,360
CALIFORNIA	2,064	1.1227	2,317.16	17.14%	18.21%	\$765,547,705
COLORADO	152	0.9947	151.19	1.12%	1.12%	\$46,890,416
CONNECTICUT	116	1.1170	129.85	0.96%	0.93%	\$39,225,273
DELAWARE	33	1.0655	35.43	0.26%	0.21%	\$9,036,260
DISTRICT OF COLUMBIA	26	1.3185	34.61	0.26%	0.26%	\$10,817,074
FLORIDA	738	1.0331	762.66	5.64%	5.76%	\$242,044,718
GEORGIA	431	0.9883	425.70	3.15%	3.15%	\$132,381,325
HAWAII	43	1.1724	50.71	0.38%	0.24%	\$10,036,935
IDAHO	71	0.8815	62.15	0.46%	0.42%	\$17,817,572
ILLINOIS	496	0.9924	491.75	3.64%	3.27%	\$137,481,231
INDIANA	214	0.9191	196.22	1.45%	1.50%	\$63,161,480
IOWA	124	0.8381	104.13	0.77%	0.77%	\$32,382,884
KANSAS	112	0.8686	97.50	0.72%	0.72%	\$30,320,974
KENTUCKY	204	0.9197	187.39	1.39%	1.33%	\$56,025,995
LOUISIANA	301	0.8905	268.25	1.98%	2.17%	\$91,130,730
MAINE	50	0.8945	44.95	0.33%	0.33%	\$13,978,005
MARYLAND	174	1.0495	182.88	1.35%	1.35%	\$56,869,698
MASSACHUSETTS	188	1.0527	198.18	1.47%	1.14%	\$48,063,710
MICHIGAN	351	1.0059	353.31	2.61%	2.44%	\$102,762,059
MINNESOTA	155	0.9771	151.45	1.12%	0.76%	\$31,861,256
MISSISSIPPI	213	0.8772	186.63	1.38%	1.38%	\$58,036,226
MISSOURI	219	0.9155	200.26	1.48%	1.38%	\$57,979,004
MONTANA	58	0.8357	48.26	0.36%	0.31%	\$13,173,122
NEBRASKA	63	0.8495	53.30	0.39%	0.39%	\$16,576,269
NEVADA	83	1.1899	98.16	0.73%	0.73%	\$30,526,393
NEW HAMPSHIRE	33	0.9788	32.55	0.24%	0.24%	\$10,263,860
NEW JERSEY	277	1.1244	311.47	2.30%	2.30%	\$96,858,666
NEW MEXICO	177	0.9225	162.83	1.20%	1.34%	\$56,407,772
NEW YORK	923	1.0904	1,005.88	7.44%	6.82%	\$286,821,535
NORTH CAROLINA	340	0.9877	335.34	2.48%	2.12%	\$89,211,202
NORTH DAKOTA	28	0.8647	23.78	0.18%	0.13%	\$5,655,883
OHIO	445	0.9620	427.61	3.16%	3.09%	\$129,857,897
OKLAHOMA	219	0.8553	187.53	1.39%	1.83%	\$76,764,895
OREGON	148	1.0027	148.41	1.10%	1.04%	\$43,895,837
PENNSYLVANIA	416	0.9962	414.69	3.07%	3.07%	\$128,956,235
RHODE ISLAND	31	0.9684	29.78	0.22%	0.23%	\$9,570,566
SOUTH CAROLINA	231	0.9955	229.72	1.70%	1.70%	\$71,314,037
SOUTH DAKOTA	30	0.8668	25.57	0.19%	0.19%	\$7,951,348
TENNESSEE	318	0.9888	314.43	2.33%	1.77%	\$74,226,011
TEXAS	1,509	0.9263	1,397.77	10.34%	11.96%	\$502,812,459
UTAH	106	0.8997	95.59	0.71%	0.65%	\$27,199,406
VERMONT	19	0.8625	16.60	0.12%	0.09%	\$3,966,889
VIRGINIA	240	0.9879	236.61	1.75%	1.75%	\$73,580,365
WASHINGTON	211	0.9419	198.51	1.47%	1.25%	\$52,355,470
WEST VIRGINIA	69	0.8922	61.34	0.45%	0.50%	\$21,145,730
WISCONSIN	160	0.9338	149.17	1.10%	1.08%	\$45,591,653
WYOMING	26	0.8743	22.73	0.17%	0.17%	\$7,068,749
TOTAL STATES ONLY			13,519.85	100.00%	100.00%	\$4,204,312,500
ALLOTMENTS FOR COMMONWEALTHS AND TERRITORIES (2)						
PUERTO RICO				91.60%		\$41,116,950
GUAM				3.50%		\$1,571,063
VIRGIN ISLANDS				2.60%		\$1,167,075
AMERICAN SAMOA				1.20%		\$538,650
N. MARIANA ISLANDS				1.10%		\$493,763
TOTAL COMMONWEALTHS AND TERRITORIES ONLY				100.00%		\$44,887,500
TOTAL STATES AND COMMONWEALTHS AND TERRITORIES						\$4,249,200,000
FOOTNOTES						
(1) Total amount available for allotment to the 50 States and the District of Columbia is \$4,204,312,500; determined as the fiscal year appropriation (\$4,275,000,000) reduced by the total amount available for allotment to the Commonwealths and Territories under section 2104(c) of the Act (\$10,687,500) and amounts for Special Diabetes Grants (\$60,000,000) under sections 4921 and 4922 of BBA						
(2) Total amount available for allotment to the Commonwealths and Territories is \$10,687,500 (determined as .25 percent of \$4,275,000,000, the fiscal year appropriation) plus \$34,200,000 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 Social Security Act						

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IV. Impact Statement

HCFA has 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.

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 expenditure in any year by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted each year for inflation). Because participation in the SCHIP program on the part of States is voluntary, any payments and expenditures States make or incur on

behalf of the program that are not reimbursed by the federal government are made voluntarily. This notice will not create unfunded mandate on States, tribal or local governments. Therefore, we are not required to perform an assessment of the costs and benefits of these regulations.

Under Executive Order 12612, Federalism, we have reviewed this notice and determined that it does not significantly affect States' rights, roles, and responsibilities. Low-income children will benefit from payments under this program 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 2000 allotments.

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. 00.000, State Children's Health Insurance Program)

Dated: February 7, 2000.

Nancy-Ann Min DeParle,
*Administrator, Health Care Financing,
Administration.*

Dated: March 20, 2000.

Donna E. Shalala,
Secretary.

[FR Doc. 00-12881 Filed 5-23-00; 8:45 am]

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