

1. Negotiate written agreements with the other agencies participating in the matching programs;

2. Obtain the Data Integrity Board approval of the match agreements;

3. Furnish detailed reports about matching programs to Congress and OMB;

4. Notify applicants and beneficiaries that the records are subject to matching; and, 5. Verify match findings before reducing, suspending, terminating, or denying an individual's benefits or payments.

*B. CMS Computer Matches Subject to the Privacy Act*

CMS has taken action to ensure that all Computer Matching Programs that this Agency participates in comply with the requirements of the Privacy Act of 1974, as amended.

Dated: January 14, 2002.

**Thomas A. Scully,**

*Administrator, Centers for Medicare & Medicaid Services.*

**CMA No. 2001-06**

**NAME:**

Computer Matching Agreement between the Centers for Medicare & Medicaid Services and the State of California Department of Health Services entitled Disclosure of Medicare and Medicaid Information.

**SECURITY CLASSIFICATION:**

Level Three Privacy Act Sensitive.

**PARTICIPATING AGENCIES:**

The Centers for Medicare & Medicaid Services (CMS), and State of California Department of Health Services (DHS).

**AUTHORITY FOR CONDUCTING MATCHING PROGRAM:**

This Computer Matching Program (CMP) is executed to comply with the Privacy Act of 1974 (Title 5 United States Code (U.S.C.) sec. 552a), as amended, the Office of Management and Budget (OMB) Circular A-130, titled "Management of Federal Information Resources" published at 65 FR 77677 (December 12, 2000), and OMB guidelines pertaining to computer matching (54 FR 25818 (June 19, 1989)).

Authority for this matching program is given under the matching provisions of sections 1816, 1842, and 1874(b) of the Social Security Act (42 U.S.C. 1395h, 1395u, and 1395kk(b)).

Authority for DHS to participate in this computer-matching program is given under the provisions of sections 10740, 10748, 10750, 14000, 14000.3, 14000.4, 14005, 14005.4, 14100.1, 14200 of the California Welfare and Institutions Code, and 42 CFR 431.300

through 431.307. DHS is charged with administration of the Medicaid program in California and is the single state agency for such purpose. DHS may act as an agent or representative of the Federal government for any purpose in furtherance of DHS's functions or administration of the Federal funds granted to the state. In California, the Medi-Cal Act provides qualifying individuals with health care and related remedial or preventive services, including both Medicaid services and services authorized under state law that are not provided under Federal law. The program to provide all such services is known as the Medi-Cal program.

**PURPOSE (S) OF THE MATCHING PROGRAM:**

The purpose of this agreement is to establish the conditions, safeguards, and procedures under which the CMS will conduct a computer matching program with DHS to study claims, billing, and eligibility information to detect suspected instances of fraud and abuse (F&A) in the State of California. CMS and DHS will provide a CMS contractor (hereinafter referred to as the "Custodian") with Medicare and Medicaid/Medi-Cal records pertaining to eligibility, claims, and billing which the Custodian will match in order to merge the information into a single database. Utilizing fraud detection software, the information will then be used to identify patterns of aberrant practices requiring further investigation. The following are examples of the type of aberrant practices that may constitute F&A by practitioners, providers, and suppliers in the State of California expected to be identified in this matching program: (1) Billing for provisions of more than 24 hours of services in one day, (2) providing treatment and services in ways more statistically significant than similar practitioner groups, and (3) up-coding and billing for services more expensive than those actually performed.

**CATEGORIES OF RECORDS AND INDIVIDUALS COVERED BY THE MATCH:**

This CMP will enhance the ability of CMS and DHS to detect F&A by matching claims data, eligibility, and practitioner, provider, and supplier enrollment records of Medicare beneficiaries, practitioners, providers, and suppliers in the State of California against records of Medicaid/Medi-Cal beneficiaries, practitioners, providers, and suppliers in the State of California.

**DESCRIPTION OF RECORDS TO BE USED IN THE MATCHING PROGRAM:**

A. Systems of Records.

The data for CMS are maintained in the following Systems:

National Claims History (NCH), System No. 09-70-0005, was most recently published at 59 FR 19181 (April 22, 1994). NCH contains records needed to facilitate obtaining Medicare utilization review data that can be used to study the operation and effectiveness of the Medicare program. Matched data will be released to DHS pursuant to the routine use as set forth in the system notice.

Enrollment Database, System No. 09-70-0502 (formerly known as the Health Insurance Master Record) published at 55 FR 37547 (September 12, 1990). Matched data will be released to DHS pursuant to the routine use set forth in the system notice.

Medicare Supplier Identification File, System No. 09-70-0530 published at 57 FR 23420 (June 3, 1992). Matched data will be released to DHS pursuant to the routine use as set forth in the system notice.

Unique Physician/Provider Identification Number (formerly known as the Medicare Physician Identification and Eligibility System), System No. 09-70-0525, published at 53 FR 50584 (Dec 16, 1988). Matched data will be released to DHS pursuant to the routine use as set forth in the system notice.

Carrier Medicare Claims Record, System No. 09-70-0501 published at 59 FR 37243 (July 21, 1994). Matched data will be released to DHS pursuant to the routine use as set forth in the system notice.

B. The data for DHS are maintained in the following data files:

"Medi-Cal RFF035 File Paid Claims," "Medi-Cal Combined Provider Master File;" and "Medi-Cal Eligibility File.

**INCLUSIVE DATES OF THE MATCH:**

The CMP shall become effective no sooner than 40 days after the report of the Matching Program is sent to OMB and Congress, or 30 days after publication in the **Federal Register**, which ever is later. The matching program will continue for 18 months from the effective date and may be extended for an additional 12 months thereafter, if certain conditions are met. [FR Doc. 02-1524 Filed 1-22-02; 8:45 am]

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

**Privacy Act of 1974; Deletion of Systems of Records**

**AGENCY:** Department of Health and Human Services (HHS), Centers for

Medicare & Medicaid Services (CMS) (formerly the Health Care Financing Administration).

**ACTION:** Notice to delete 12 systems of records.

**SUMMARY:** CMS proposes to delete 12 systems of records from its inventory subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended.

**EFFECTIVE DATE:** The deletions will be effective on January 15, 2002.

**ADDRESSES:** The public should address comments to: Director, Division of Data Liaison and Distribution, CMS, Room N2-04-27, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. The telephone number is (410) 786-3573. Comments received will be available for review at this location, by appointment, during regular business hours, Monday through Friday from 9 a.m.-3 p.m., eastern standard time.

**SUPPLEMENTARY INFORMATION:** CMS is reorganizing its databases because of the amount of information it collects to administer the Medicare and Medicaid programs. With this reorganization of databases, CMS is deleting the systems of records listed below. Retention and destruction of the data contained in these systems will follow the schedules listed in the system notice. CMS proposes to delete the following systems.

#### Systems to be Deleted:

- System No. 09-70-0504, "Beneficiary Part A and B Uncollectible Overpayment File;"
- System No. 09-70-0508, "Reconsideration and Hearing Cases Files (Part A) Hospital Insurance Program;"
- System No. 09-70-0512, "Review and Fair Hearing Case Files—Supplementary Medical Insurance Program;"
- System No. 09-70-0516, "Medicare Physician Supplier Master File;"
- System No. 09-70-0518, "Medicare Clinic Physician Supplier Master File;"
- System No. 09-70-0522, "Billing and Collection Master Record System;"
- System No. 09-70-1511, "Physical Therapists in Independent Practice (Individuals);"
- System No. 09-70-1512, "Peer Review Organizations Data Management Information System;"
- System No. 09-70-1516, "Uniform Clinical Data Set;"
- System No. 09-70-2003, "Completion of State Medicaid Quality Control Reviews;"
- System No. 09-70-2006, "Income and Eligibility Verification for Medicaid Eligibility Quality Control Reviews;"

System No. 09-70-9001, "Health Care Financing Administration Correspondence and Assignment Tracking and Control System;"

Dated: January 14, 2002.

**Thomas A. Scully,**

*Administrator, Centers for Medicare & Medicaid Services.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

#### Privacy Act of 1974; Report of Modified or Altered System

**AGENCY:** Centers for Medicare & Medicaid Services (CMS) (formerly the Health Care Financing Administration), Department of Health and Human Services (HHS).

**ACTION:** Notice of Modified or Altered System of Records (SOR).

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, CMS is proposing to modify or alter an SOR, "Health Insurance Master Record (HIMR)," System No. 09-70-0502. CMS is reorganizing its databases because of the amount of information it collects to administer the Medicare program. We are proposing to amend the purpose of the HIMR to include maintaining enrollment data without utilization data and change the name from the HIMR to read the "Enrollment Database (EDB)" to reflect this amended purpose. The only data in the HIMR, which are not in the EDB, are the utilization and bill processing data. Since the EDB will now maintain enrollment-related data, all utilization data for bill payment record processing will now be maintained in the "Common Working File (CWF)," System No. 09-70-0526. With this reorganization of databases, CMS is deleting, in a separate notice, the following SOR: "Medicare Enrollment Records Statistics (MERS)," System No. 09-70-0006, and the "Health Insurance Enrollment Statistics, General Enrollment Period (HIES)," System No. 09-70-0007. These 2 systems are being deleted because their enrollment purpose is being subsumed into the EDB. The EDB does maintain data regarding direct billing for Medicare premiums.

The security classification previously reported as "None" will be modified to reflect that data in this system are considered to be "Level Three Privacy Act Sensitive." We propose to delete

published routine uses number 1 authorizing disclosures to the Railroad Retirement Board (RRB), number 2 authorizing disclosures to state welfare departments, number 3 authorizing disclosures to state audit agencies, number 8 authorizing disclosure to contractors, number 9 authorizing disclosures to state welfare agencies, number 12 authorizing disclosures to contractors, number 13 authorizing disclosures to agencies of a state government, number 14 authorizing disclosures to group health plans, number 15 authorizing disclosures to contractors, number 16 authorizing disclosures for Medicare Secondary Payer (MSP) utilization purposes, number 17 authorizing disclosures to the Internal Revenue Service (IRS), and an unnumbered routine use authorizing disclosure to the Social Security Administration (SSA).

Disclosures allowed by routine uses number 1, 2, 3, 13, 17, and to the SSA will be covered by a new routine use to permit release of information to "another Federal and/or state agency, agency of a state government, an agency established by state law, or its fiscal agent." The proposed routine use for contractors and consultants makes material changes to published routine uses number 8, 12, and 15, and as proposed should be treated as a new routine use. The proposed routine use for "other insurers and group health plans" makes material changes to published routine uses number 11, and 14, and as proposed should be treated as a new routine use. Routine use number 9 is being deleted because the information pertaining to Beneficiary State File and Carrier Alphabetical State File, is no longer maintained in the EDB. Routine use number 16 is also being deleted because the information listed in the routine use as being releasable for MSP utilization purposes is not maintained in the EDB.

We are modifying the language in the remaining routine uses to provide clarity to CMS intention to disclose individual-specific information contained in this system. The routine uses will then be prioritized and reordered according to their usage. We will also take this opportunity to update any sections of this SOR that were affected by the recent reorganization and to modify language in the administrative sections to correspond with language used in other CMS SORs.

The primary purpose of the SOR is to maintain information on Medicare enrollment for the administration of the Medicare program, including the following functions: ensuring proper Medicare enrollment, claims payment,