VI. Impact Statement

A. Overall Impact

We have examined the impacts of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review) and the Regulatory Flexibility Act (RFA) (September 19, 1980 Pub. L. 96–354). Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more annually). We have determined that this rule is not a major rule for the reasons discussed below.

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 $5 to $25 million or less annually. For purposes of the RFA, all hospices are considered to be small entities. Individuals and States are not included in the definition of a small entity. The notice of redistribution and continued availability of SCHIP funds is the result of a statutory formula that does not involve any agency discretion or policy. While this notice also sets forth CMS policy under which the States decide on the ordering of these funds and other available SCHIP funds in the application of States' SCHIP expenditures against such funds, we do not believe this policy will have a significant economic impact. We note that the same option was available to States for the FY 1998 redistribution and therefore this policy represents no change from that. We do not expect that the availability of this option will affect the operation of States' SCHIP programs or the amount or type of expenditures in such programs. Therefore, we do not believe further regulatory analysis is necessary.

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 603 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Metropolitan Statistical Area and has fewer than 100 beds. We do not believe further regulatory analysis is necessary because this notice will not have a significant economic impact on small rural hospitals or a substantial number of small entities.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in expenditure in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of $110 million. This rule does not require any change in State expenditures; rather it notifies States of additional Federal funding that is available to pay for a share of State expenditures. This notice will not impose an 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.

Executive Order 13132 establishes certain requirements that an agency must meet when it publishes a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this notice and determined that it does not significantly affect States' rights, roles, and responsibilities.

This notice informs the States of additional amounts of Federal funds that are available for part of State expenditures in accordance with the statute. This notice does not affect State rights or change the States' costs. It will have an overall positive impact by informing States, the District of Columbia, and Commonwealths and Territories of the extent to which they are permitted to expend funds under their child health plans using the FY 1999 allotment redistribution and retained amounts.

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 10, 2002.

Thomas A. Scully,

Administrator, Centers for Medicare & Medicaid Services.

Dated: April 9, 2002.

Tommy G. Thompson,

Secretary.

[FR Doc. 02–10260 Filed 4–25–02; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–4047–N]

Medicare Program; Risk Adjustment Training, June 3–4, 2002, Las Vegas, NV; June 6–7, 2002, St. Louis, MO; June 10–11, 2002, Philadelphia, PA; and June 13–14, 2002, Orlando, FL

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

ACTION: Notice.

SUMMARY: This notice announces risk adjustment training sessions that will provide Medicare+Choice (M+C) organization staff (technical, operations, and provider relations) with the necessary knowledge to improve the quality and quantity of risk adjustment data. The specific training objectives are to understand data and diagnosis coding requirements, risk score calculation, the submission process and schedule, and the new risk adjustment processing system. These training sessions will build on the overview provided at the January 16, 2002 public meeting held at CMS.

DATES: Training sessions are scheduled for the locations and dates listed below:

Las Vegas: Monday, June 3, 2002, Tuesday, June 4, 2002

St. Louis: Thursday, June 6, 2002, Friday, June 7, 2002

Philadelphia: Monday, June 10, 2002, Tuesday, June 11, 2002

Orlando: Thursday, June 13, 2002, Friday, June 14, 2002

ADDRESSES: The training sessions will be held at the addresses listed below:

Las Vegas: Harrah's Las Vegas Hotel & Casino, 3475 Las Vegas Boulevard South, Las Vegas, NV 89109

St. Louis: Radisson Hotel & Suites St. Louis Downtown, 200 North Fourth Street, St. Louis, MO 63102

Philadelphia: Crowne Plaza Philadelphia Center City, 1800 Market Street, Philadelphia, PA 19103

Orlando: Wyndham Orlando Resort, 8001 International Drive, Orlando, FL 32819

FOR FURTHER INFORMATION CONTACT: Kim Slaughter at (301) 519–5388 or e-mail your questions to *encounterdata@aspensys.com.*

SUPPLEMENTARY INFORMATION:

Background

The Balanced Budget Act of 1997 (BBA) (Pub. L. 105–33) established the Medicare+Choice (M+C) program that significantly expanded the health care

options available to Medicare beneficiaries. Under the BBA, the Secretary of the Department of Health and Human Services (the Secretary) must implement a risk adjustment methodology that accounts for variations in per capita costs based on health status and other demographic factors for payment to M+C organizations. The BBA also gives the Secretary the authority to collect inpatient hospital data for discharges on or after July 1, 1997, and additional data for other services occurring on or after July 1, 1998. Risk adjustment implementation began January 1, 2000 based on the principal inpatient discharge diagnosis. Payments to M+C organizations are made at 10 percent risk adjusted rates and 90 percent demographically adjusted rates for years 2000 through 2003. The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000, enacted on December 21, 2000, stipulates that the risk adjustment methodology for 2004 and succeeding years should be based on data from inpatient hospital and ambulatory settings. BIPA contains a provision that phases in future risk adjusted payments as follows: 30 percent in 2004; 50 percent in 2005; 75 percent in 2006; and 100 percent in 2007.

The collection of physician encounter data, which began on October 1, 2000, and hospital outpatient encounter data, which began on April 1, 2001, was suspended from May 25, 2001 through July 1, 2002. The Secretary suspended the submission of physician and hospital outpatient encounter data in May 2001 and directed us to develop a risk adjustment approach that balances payment accuracy with data burden. Since then, we have worked extensively with M+C organizations, their associations, and other interested parties to develop a risk adjustment approach that reduces the burden of data collection for M+C organizations by about 98 percent. We have reduced the burden by decreasing the number of data elements (from 50 to only 5 elements) to be submitted, only requiring submission of diagnoses that are needed for calculating payments, and creating a simplified data submission format and processing system. Submission of ambulatory risk adjustment data will resume on October 1, 2002 for dates of service beginning July 1, 2002. Instructions on this process will be provided to M+C organizations in April 2002. A new processing system will be operational on October 1, 2002 for all types of risk adjustment data (hospital inpatient, physician, and hospital outpatient).

We are announcing this training to provide individuals and M+C organizations an opportunity to obtain the necessary training to submit risk adjustment data accurately, timely, and in accordance with our requirements. The training objectives are to understand data coding and requirements, risk score calculation, the submission process and schedule, and the new risk adjustment processing system. The agenda will include presentations by our staff and Aspen Systems Corporation staff, and question-and-answer sessions.

The training will consist of the following topics:

- Background of risk adjustment methodology.
- Overview of the risk adjustment process.
- Data collection.
- Risk adjustment processing system file format.
- Risk adjustment processing system edits.
- Reports/error resolutions.
- Health plan management system overview.

A copy of the training agenda is available at: *www.aspenxnet.com/meetingagenda.htm*

This training is designed for M+C organization staff responsible for collection and submission of risk adjustment data, third party contractors that submit risk adjustment data on behalf of an M+C organization, and M+C provider training staff.

Registration

Registration for this training is required. Each training site has a limited number of spaces available for participants. Therefore, registration for M+C organizations is limited to two attendees for all locations and is on a first come, first served basis. M+C organization staff will receive priority registration consideration due to training space limitations. If an M+C organization has contracted with a third party to submit risk adjustment data and the third party wants to attend the training, indicate this information under ''Type of Organization'' on the registration form. A waiting list will be available for additional requests.

Registration can be completed via the Internet at the following Web site: *www.aspenxnet.com/registration.* A confirmation notice with additional training location information will be sent to attendees upon finalization of registration. Attendees will be responsible for the cost and arrangement of their own transportation, lodging, and meals.

Attendees will be provided with training materials at the time of the training. After the scheduled training sessions, materials will be available at *www.hcfa.gov* and *www.cms.hhs.gov.*

(Authority: Sections 1851 through 1859 of the Social Security Act (42 U.S.C. 1395w–21 through 1395w–28)).

Dated: April 23, 2002.

Thomas A. Scully,

Administrator, Centers for Medicare & Medicaid Services.

[FR Doc. 02–10322 Filed 4–25–02; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–3097–N]

Medicare Program; Meeting of the Medical and Surgical Procedures Panel of the Medicare Coverage Advisory Committee—June 12, 2002

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

ACTION: Notice of meeting.

SUMMARY: This notice announces a public meeting of the Medical and Surgical Procedures Panel (the Panel) of the Medicare Coverage Advisory Committee (the Committee). The Panel provides advice and recommendations to the Committee about clinical issues. The Committee advises us on whether adequate evidence exists to determine whether specific medical items and services are reasonable and necessary under Medicare law. The panel will discuss the quality of evidence regarding the use of deep brain stimulation for the treatment of Parkinson's disease. In addition, the panel will make recommendations concerning the issues presented. Notice of this meeting is given under the Federal Advisory Committee Act (5 U.S.C. App. 2, section 10(a)(1) and (a)(2)).

DATES: *Meeting Date:* The public meeting announced in this notice will be held on Wednesday, June 12, 2002, from 7:30 a.m. to 3 p.m., E.D.T.

Deadline for Presentations and Comments: May 31, 2002, 5 p.m., E.D.T.

Special Accommodations: Persons attending the meeting who are hearing or visually impaired, or have a condition that requires special assistance or accommodations, are asked to notify the Executive Secretary,