

Dated: June 7, 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:** Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services (CMS) (formerly the Health Care Financing Administration).

**ACTION:** Notice of modified or altered system of records (SOR).

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, we are proposing to modify or alter an SOR, "Supplemental Medical Insurance (SMI) and Hospital Insurance (HI) Premium Accounting Collection and Enrollment (SPACE) System." We propose to delete published routine uses number 1, authorizing disclosure to state Medicaid agencies, number 4, authorizing disclosure to the United States Office of Personnel Management (OPM), number 6, authorizing disclosure to a contractor for the purpose of processing records in this system, and an unnumbered routine use authorizing disclosure to the Social Security Administration (SSA). Disclosures allowed by routine uses number 1, 4, and to the SSA will be covered by proposed routine use number 2 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." Disclosures previously allowed by routine use number 6 will now be covered by proposed routine use number 3.

The security classification previously reported as "None" will be modified to reflect that the data in this system is considered to be "Level Three Privacy Act Sensitive." We are modifying the language in the remaining routine uses to provide clarity to CMS's 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 the opportunity to update any sections of the system that were affected by the recent reorganization and to update language in the

administrative sections to correspond with language used in other CMS SORs.

The primary purpose of this SOR is to process beneficiary premium billing accretions and deletions to third party premium payer accounts (state Medicaid agencies, OPM, and formal third party groups (latter as defined in 42 Code of Federal Regulations (CFR) §§ 408.80 through 408.92)) for the payment of Part B (SMI) and/or Part A (HI) premiums on behalf of Medicare beneficiaries and for enrolling individuals for HI or SMI coverage under state buy-in agreements. Information in this system may be used: by formal third party groups pursuant to agreements with CMS, by another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent, to support regulatory and policy functions performed within the agency or by a contractor or consultant, to an individual or organization for a research, evaluation, or epidemiological project, to support constituent requests made to a congressional representative, to support litigation involving the Agency related to this SOR, and to combat fraud and abuse in certain Federally funded health care programs. We have provided background information about the modified system in the "Supplementary Information" section below. Although the Privacy Act requires only that CMS provide an opportunity for interested persons to comment on the proposed routine uses, CMS invites comments on all portions of this notice. *See* **EFFECTIVE DATES** section for comment period.

**EFFECTIVE DATES:** CMS filed a modified or altered system report with the Chair of the House Committee on Government Reform and Oversight, the Chair of the Senate Committee on Governmental Affairs, and the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on May 22, 2002. To ensure that all parties have adequate time in which to comment, the modified or altered SOR, including routine uses, will become effective 40 days from the publication of the notice, or from the date it was submitted to OMB and the congress, whichever is later, unless CMS receives comments that require alterations to this notice.

**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. 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 daylight time.

**FOR FURTHER INFORMATION CONTACT:** Jackie Fromm, Director, Division of Premium Billing, Benefits Operations Group, Center for Medicare Management, CMS, 7500 Security Boulevard, S1-06-03, Baltimore, Maryland 21244-1850. The telephone number is (410) 786-5885.

#### SUPPLEMENTARY INFORMATION:

##### I. Description of the Modified SOR

###### A. Statutory and Regulatory Basis for SOR

In 1982, CMS established a SOR under the authority of sections 1818, 1818A, (42 United States Code (USC) §§ 1395i-2 and 2a), §§ 1818(e) and (g) (42 USC 1395i-2(e) and (g)), 1840 (d) and (e) (42 USC 1395s (d) and (e)), and 1843 (42 USC 1395v) of Title XVIII of the Social Security Act (the Act). Notice of the modification to this system, "Supplemental Medical Insurance (SMI) Premium Accounting Collection and Enrollment (SPACE) System, System No. 09-70-0505" was published in the **Federal Register** (FR) at 47 FR 45693 (Oct. 23, 1982) (original publication with 3 routine uses), 51 FR 33134 (Sept. 18, 1986) (replaced litigation routine use), 60 FR 4176 (Jan. 20, 1995) (added 4 new routines uses), 61 FR 6645 (Feb. 21, 1996) (added unnumbered SSA use), 63 FR 38414 (July 16, 1998) (added three fraud and abuse uses), and 65 FR 50552 (Aug. 18, 2000) (deleted one and modified two fraud and abuse uses).

##### II. Collection and Maintenance of Data in the System

###### A. Scope of the Data Collected

The system contains information on Medicare beneficiaries whose HI benefit and/or SMI Medicare premiums are paid by a state Medicaid agency, OPM, or a formal third party group. Information consists of the beneficiary's name, social security number (SSN), health insurance claims number (HICN), date of birth, sex, amount of premium liability, date agency first became liable for HI or SMI premiums, last month of agency premium liability, agency identification number, and an OPM annuity number.

###### B. Agency Policies, Procedures, and Restrictions on the Routine Use

The Privacy Act permits us to disclose information without an individual's consent if the information is to be used for a purpose that is compatible with the purpose(s) for which the information was collected. Any such disclosure of data is known as a "routine use." The government will only release SPACE

information that can be associated with an individual as provided for under "Section III. Proposed Routine Use Disclosures of Data in the System." Both identifiable and non-identifiable data may be disclosed under a routine use.

We will only collect the minimum personal data necessary to protect the integrity of the records maintained by SPACE. CMS has the following policies and procedures concerning disclosures of information that will be maintained in the system. Disclosure of information from the SOR will be approved only for the minimum information necessary to accomplish the purpose of the disclosure only after CMS:

1. Determines that the use or disclosure is consistent with the reason that the data is being collected, *e.g.*, process beneficiary premium accretions and deletions to third party payer accounts (state Medicaid agencies, OPM, and formal third party groups) for the payment of Part B (SMI) and/or Part A (HI) premiums on behalf of Medicare beneficiaries and for enrolling individuals for HI or SMI coverage under state buy-in agreements.

2. Determines that:

a. The purpose for which the disclosure is to be made can only be accomplished if the record is provided in individually identifiable form;

b. The purpose for which the disclosure is to be made is of sufficient importance to warrant the effect and/or risk on the privacy of the individual that additional exposure of the record might bring; and

c. There is a strong probability that the proposed use of the data would in fact accomplish the stated purpose(s).

3. Requires the information recipient to:

a. Establish administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of the record;

b. Remove or destroy at the earliest time all individually-identifiable information; and

c. Agree to not use or disclose the information for any purpose other than the stated purpose under which the information was disclosed.

4. Determines that the data are valid and reliable.

### III. Proposed Routine Use Disclosures of Data in the System

#### A. Entities Who May Receive Disclosures Under Routine Use

These routine uses specify circumstances, in addition to those provided by statute in the Privacy Act of 1974, under which CMS may release information from the SPACE without

the consent of the individual to whom such information pertains. Each proposed disclosure of information under these routine uses will be evaluated to ensure that the disclosure is legally permissible, including but not limited to ensuring that the purpose of the disclosure is compatible with the purpose for which the information was collected. We are proposing to establish or modify the following routine use disclosures of information maintained in the system:

1. To formal third party groups pursuant to agreements with the CMS to pay the Medicare premiums on behalf of their members and who need to have access to the records in order to perform the activity.

We contemplate disclosing information under this routine use only in situations in which CMS has entered into a contractual or similar agreement with a formal third party group to assist in a CMS function relating to the payment on behalf of their members.

2. To another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent pursuant to agreements with CMS to:

a. Contribute to the accuracy of CMS's proper payment of Medicare benefits,

b. Enable such agency to administer a Federal health benefits program, or as necessary to enable such agency to fulfill a requirement of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds, and/or

c. Assist Federal/state Medicaid programs within the state.

Other Federal or state agencies in their administration of a Federal health program may require SPACE information in order to support monitoring of Medicare premium billing information.

In addition, state Medicaid agencies may require SPACE data, pursuant to agreements with HHS, for enrollment of dually eligible beneficiaries for medical insurance under section 1843 of the Act.

SSA requires SPACE data to enable them to assist in the implementation and maintenance of the Medicare program.

RRB requires SPACE information to enable them to assist in the implementation and maintenance of the Medicare program.

OPM requires SPACE information in order to perform monthly premium billing functions to identify annuitants for whom premium collections must be initiated, and to periodically reconcile third party master records.

3. To Agency contractors or consultants who have been engaged by

the Agency to assist in accomplishment of a CMS function relating to the purposes for this SOR and who need to have access to the records in order to assist CMS.

We contemplate disclosing information under this routine use only in situations in which CMS may enter into a contractual or similar agreement with a third party to assist in accomplishing a CMS function relating to purposes for this SOR.

CMS occasionally contracts out certain of its functions when doing so would contribute to effective and efficient operations. CMS must be able to give a contractor or consultant whatever information is necessary for the contractor or consultant to fulfill its duties. In these situations, safeguards are provided in the contract prohibiting the contractor or consultant from using or disclosing the information for any purpose other than that described in the contract, and requires the contractor or consultant to return or destroy all information at the completion of the contract.

4. To an individual or organization for research, evaluation, or epidemiological projects related to the prevention of disease or disability, the restoration or maintenance of health, or payment related projects.

SPACE data will provide for the research, evaluation, and epidemiological projects, a broader, longitudinal, national perspective of the status of Medicare beneficiaries. CMS anticipates that many researchers will have legitimate requests to use these data in projects that could ultimately improve the care provided to Medicare beneficiaries and the policy that governs the care.

5. To a Member of Congress or a congressional staff member in response to an inquiry of the congressional office made at the written request of the constituent about whom the record is maintained.

Beneficiaries and other individuals often request the help of a Member of Congress in resolving some issue relating to a matter before CMS. The Member of Congress then writes CMS, and CMS must be able to give sufficient information in response to the inquiry.

6. To the Department of Justice (DOJ), court or adjudicatory body when:

a. The Agency or any component thereof, or

b. Any employee of the Agency in his or her official capacity, or

c. Any employee of the Agency in his or her individual capacity where the DOJ has agreed to represent the employee, or

d. The United States Government is a party to litigation or has an interest in such litigation, and by careful review, CMS determines that the records are both relevant and necessary to the litigation.

Whenever CMS is involved in litigation, or occasionally when another party is involved in litigation and CMS's policies or operations could be affected by the outcome of the litigation, CMS would be able to disclose information to the DOJ, court or adjudicatory body involved.

7. To a CMS contractor (including, but not limited to fiscal intermediaries and carriers) that assists in the administration of a CMS-administered health benefits program, or to a grantee of a CMS-administered grant program, when disclosure is deemed reasonably necessary by CMS to prevent, deter, discover, detect, investigate, examine, prosecute, sue with respect to, defend against, correct, remedy, or otherwise combat fraud or abuse in such program.

We contemplate disclosing information under this routine use only in situations in which CMS has entered into a contract or grant with a third party to assist in accomplishing CMS functions relating to the purpose of combating fraud and abuse.

CMS occasionally contracts out certain of its functions when doing so would contribute to effective and efficient operations. CMS must be able to give a contractor or grantee whatever information is necessary for the contractor or grantee to fulfill its duties. In these situations, safeguards are provided in the contract prohibiting the contractor or grantee from using or disclosing the information for any purpose other than that described in the contract and requiring the contractor or grantee to return or destroy all information.

8. To another Federal agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States (including any state or local governmental agency), that administers, or that has the authority to investigate potential fraud or abuse in, a health benefits program funded in whole or in part by Federal funds, when disclosure is deemed reasonably necessary by CMS to prevent, deter, discover, detect, investigate, examine, prosecute, sue with respect to, defend against, correct, remedy, or otherwise combat fraud or abuse in such programs.

Other agencies may require SPACE information for the purpose of combating fraud and abuse in such Federally funded programs.

#### *B. Additional Circumstances Affecting Routine Use Disclosures*

This SOR contains Protected Health Information as defined by HHS regulation "Standards for Privacy of Individually Identifiable Health Information" (45 CFR parts 160 and 164, 65 FR 82462 (Dec. 28, 00), as amended by 66 FR 12434 (Feb. 26, 01)). Disclosures of Protected Health Information authorized by these routine uses may only be made if, and as, permitted or required by the "Standards for Privacy of Individually Identifiable Health Information."

In addition, our policy will be to prohibit release even of non-identifiable data, except pursuant to one of the routine uses, if there is a possibility that an individual can be identified through implicit deduction based on small cell sizes (instances where the patient population is so small that individuals who are familiar with the enrollees could, because of the small size, use this information to deduce the identity of the beneficiary).

#### **IV. Safeguards**

##### *A. Administrative Safeguards*

The SPACE system will conform to applicable law and policy governing the privacy and security of Federal automated information systems. These include but are not limited to: the Privacy Act of 1974, Computer Security Act of 1987, the Paperwork Reduction Act (PRA) of 1995, the Clinger-Cohen Act of 1996, and OMB Circular A-130, Appendix III, "Security of Federal Automated Information Resources." CMS has prepared a comprehensive system security plan as required by the Office of Management and Budget (OMB) Circular A-130, Appendix III. This plan conforms fully to guidance issued by the National Institute for Standards and Technology (NIST) in NIST Special Publication 800-18, "Guide for Developing Security Plans for Information Technology Systems." Paragraphs A-C of this section highlight some of the specific methods that CMS is using to ensure the security of this system and the information within it.

*Authorized users:* Personnel having access to the system have been trained in Privacy Act and systems security requirements. Employees and contractors who maintain records in the system are instructed not to release any data until the intended recipient agrees to implement appropriate administrative, technical, procedural, and physical safeguards sufficient to protect the confidentiality of the data and to prevent unauthorized access to the data. In addition, CMS will monitor

the authorized users to ensure against excessive or unauthorized use. Records are used in a designated work area or workstation and the system location is attended at all times during working hours.

To assure security of the data, the proper level of class user is assigned for each individual user as determined at the Agency level. This prevents unauthorized users from accessing and modifying critical data. The system database configuration includes five classes of database users:

- *Database Administrator* class owns the database objects; e.g., tables, triggers, indexes, stored procedures, packages, and has database administration privileges to these objects;
- *Quality Control Administrator* class has read and write access to key fields in the database;
- *Quality Indicator (QI) Report Generator* class has read-only access to all fields and tables;
- *Policy Research* class has query access to tables, but are not allowed to access confidential individual identification information; and
- *Submitter* class has read and write access to database objects, but no database administration privileges.

##### *B. Physical Safeguards*

All server sites have implemented the following minimum requirements to assist in reducing the exposure of computer equipment and thus achieve an optimum level of protection and security for the SPACE system:

Access to all servers is controlled, with access limited to only those support personnel with a demonstrated need for access. Servers are to be kept in a locked room accessible only by specified management and system support personnel. Each server requires a specific log-on process. All entrance doors are identified and marked. A log is kept of all personnel who were issued a security card key and/or combination which grants access to the room housing the server, and all visitors are escorted while in this room. All servers are housed in an area where appropriate environmental security controls are implemented, which include measures implemented to mitigate damage to Automated Information System (AIS) resources caused by fire, electricity, water and inadequate climate controls.

Protection applied to the workstations, servers and databases include:

- *User Log-ons*—Authentication is performed by the Primary Domain Controller/Backup Domain Controller of the log-on domain.

- *Workstation Names*—Workstation naming conventions may be defined and implemented at the Agency level.

- *Hours of Operation*—May be restricted by Windows NT. When activated all applicable processes will automatically shut down at a specific time and not be permitted to resume until the predetermined time. The appropriate hours of operation are determined and implemented at the Agency level.

- *Inactivity Log-out*—Access to the NT workstation is automatically logged out after a specified period of inactivity.

- *Warnings*—Legal notices and security warnings display on all servers and workstations.

- *Remote Access Services (RAS)*—Windows NT RAS security handles resource access control. Access to NT resources is controlled for remote users in the same manner as local users, by utilizing Windows NT file and sharing permissions. Dial-in access can be granted or restricted on a user-by-user basis through the Windows NT RAS administration tool.

### C. Procedural Safeguards

All automated systems must comply with Federal laws, guidance, and policies for information systems security as stated previously in this section. Each automated information system should ensure a level of security commensurate with the level of sensitivity of the data, risk, and magnitude of the harm that may result from the loss, misuse, disclosure, or modification of the information contained in the system.

### V. Effect of the Modified SOR on Individual Rights

CMS proposes to establish this system in accordance with the principles and requirements of the Privacy Act and will collect, use, and disseminate information only as prescribed therein. Data in this system will be subject to the authorized releases in accordance with the routine uses identified in this SOR.

CMS will monitor the collection and reporting of SPACE data. SPACE information on individuals is completed by contractor personnel and submitted to CMS through standard systems located at different locations. CMS will utilize a variety of onsite and offsite edits and audits to increase the accuracy of SPACE data.

CMS will take precautionary measures (see item IV. above) to minimize the risks of unauthorized access to the records and the potential harm to individual privacy or other personal or property rights. CMS will collect only that information necessary

to perform the system's functions. In addition, CMS will make disclosure of identifiable data from the modified system only with consent of the subject individual, or his/her legal representative, or in accordance with an applicable exception provision of the Privacy Act.

CMS, therefore, does not anticipate an unfavorable effect on individual privacy as a result of the disclosure of information relating to individuals.

Dated: May 22, 2002.

**Thomas A. Scully,**

*Administrator, Centers for Medicare & Medicaid Services.*

### 09-70-0505

#### SYSTEM NAME:

Supplemental Medical Insurance (SMI) and Hospital Insurance (HI) Premium Accounting Collection and Enrollment (SPACE) System, HHS/CMS/CMM

#### SECURITY CLASSIFICATION:

Level Three Privacy Act Sensitive.

#### SYSTEM LOCATION:

CMS Data Center, 7500 Security Boulevard, North Building, First Floor, Baltimore, Maryland 21244-1850.

#### CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The system contains information on Medicare beneficiaries whose Part A HI and/or Part B SMI premiums are paid by a state Medicaid agency, OPM, or a formal third party group (latter as defined in 42 Code of Federal Regulations (CFR) §§ 408.80 through 408.92).

#### CATEGORIES OF RECORDS IN THE SYSTEM:

Information contained in this SOR consist of the beneficiary's name, health insurance claims number (HICN), date of birth, sex, amount of premium liability, date agency first became liable for HI or SMI premiums, last month of agency premium liability, agency identification number, and an United States Office of Personnel Management (OPM) annuity number.

#### AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Authority for the maintenance of this SOR is given under the authority of secs. 1818, 1818A, (42 USC 1395i-2 and 2a), 1818(e) and (g) (42 USC 1395i-2(e) and (g), 1840 (d) and (e) (42 USC 1395s (d) and (e), and 1843 (42 USC 1395v) of Title XVIII of the Social Security Act (the Act).

#### PURPOSE(S):

The primary purpose of this SOR is to process beneficiary premium billing

accretions and deletions to third party premium payer accounts (state Medicaid agencies, OPM, and formal third party groups (latter as defined in 42 Code of Federal Regulations (CFR) §§ 408.80 through 408.92)) for the payment of Part B (SMI) and/or Part A (HI) premiums on behalf of Medicare beneficiaries and for enrolling individuals for HI or SMI coverage under state buy-in agreements. Information in this system may be used: by formal third party groups pursuant to agreements with CMS, by another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent, to support regulatory and policy functions performed within the Agency or by a contractor or consultant, to an individual or organization for a research, evaluation, or epidemiological project, to support constituent requests made to a congressional representative, to support litigation involving the Agency related to this SOR, and to combat fraud and abuse in certain Federally funded health care programs.

#### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OR USERS AND THE PURPOSES OF SUCH USES:

The Privacy Act allows us to disclose information without an individual's consent if the information is to be used for a purpose that is compatible with the purpose(s) for which the information was collected. Any such compatible use of data is known as a "routine use." The proposed routine use in this system meets the compatibility requirement of the Privacy Act. This SOR contains Protected Health Information as defined by HHS regulation "Standards for Privacy of Individually Identifiable Health Information" (45 CFR parts 160 and 164, 65 FR 82462 (Dec. 28, 00), as amended by 66 FR 12434 (Feb. 26, 01)). Disclosures of Protected Health Information authorized by these routine uses may only be made if, and as, permitted or required by the "Standards for Privacy of Individually Identifiable Health Information."

In addition, our policy will be to prohibit release even of non-identifiable data, except pursuant to one of the routine uses, if there is a possibility that an individual can be identified through implicit deduction based on small cell sizes (instances where the patient population is so small that individuals who are familiar with the enrollees could, because of the small size, use this information to deduce the identity of the beneficiary). We are proposing to establish the following routine use disclosures of information that will be maintained in the system:

1. To formal third party groups pursuant to agreements with the CMS to pay Medicare premiums on behalf of their members and who need to have access to the records in order to perform the activity.

2. To another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent pursuant to agreements with CMS to:

a. Contribute to the accuracy of CMS's proper payment of Medicare benefits,

b. Enable such agency to administer a Federal health benefits program, or as necessary to enable such agency to fulfill a requirement of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds, and/or

c. Assist Federal/state Medicaid programs within the state.

3. To Agency contractors or consultants who have been engaged by the Agency to assist in accomplishment of an CMS function relating to the purposes for this SOR and who have need to have access to the records in order to assist CMS.

4. To an individual or organization for research, evaluation, or epidemiological projects related to the prevention of disease or disability, the restoration or maintenance of health, or payment related projects.

5. To a Member of Congress or congressional staff member in response to an inquiry of the congressional office made at the written request of the constituent about whom the record is maintained.

6. To the Department of Justice (DOJ), court or adjudicatory body when:

a. The Agency or any component thereof, or

b. Any employee of the Agency in his or her official capacity, or

c. Any employee of the Agency in his or her individual capacity where the DOJ has agreed to represent the employee, or

d. The United States Government is a party to litigation or has an interest in such litigation, and by careful review, CMS determines that the records are both relevant and necessary to the litigation.

7. To a CMS contractor (including, but not limited to fiscal intermediaries and carriers) that assists in the administration of a CMS-administered health benefits program, or to a grantee of a CMS-administered grant program, when disclosure is deemed reasonably necessary by CMS to prevent, deter, discover, detect, investigate, examine, prosecute, sue with respect to, defend against, correct, remedy, or otherwise combat fraud or abuse in such program.

8. To another Federal agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States (including any state or local governmental agency), that administers, or that has the authority to investigate potential fraud or abuse in, a health benefits program funded in whole or in part by Federal funds, when disclosure is deemed reasonably necessary by CMS to prevent, deter, discover, detect, investigate, examine, prosecute, sue with respect to, defend against, correct, remedy, or otherwise combat fraud or abuse in such programs.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

Computer diskette and on magnetic storage media.

**RETRIEVABILITY:**

Information can be retrieved by name, HICN, and assigned agency identification number.

**SAFEGUARDS:**

CMS has safeguards for authorized users and monitors such users to ensure against excessive or unauthorized use. Personnel having access to the system have been trained in the Privacy Act and systems security requirements. Employees who maintain records in the system are instructed not to release any data until the intended recipient agrees to implement appropriate administrative, technical, procedural, and physical safeguards sufficient to protect the confidentiality of the data and to prevent unauthorized access to the data.

In addition, CMS has physical safeguards in place to reduce the exposure of computer equipment and thus achieve an optimum level of protection and security for the SPACE system. For computerized records, safeguards have been established in accordance with the Department of Health and Human Services (HHS) standards and National Institute of Standards and Technology guidelines, *e.g.*, security codes will be used, limiting access to authorized personnel. System securities are established in accordance with HHS, Information Resource Management Circular #10, Automated Information Systems Security Program; CMS Automated Information Systems Guide, Systems Securities Policies, and OMB Circular No. A-130 (revised), Appendix III.

**RETENTION AND DISPOSAL:**

Records are maintained in a secure storage area with identifiers for six years

three months after final action of the case is completed.

**SYSTEM MANAGER(S) AND ADDRESS:**

Director, Division of Premium Billing, Benefits Operations Group, Center for Medicare Management, CMS, 7500 Security Boulevard, S1-06-03, Baltimore, Maryland 21244-1850.

**NOTIFICATION PROCEDURE:**

For purpose of access, the subject individual should write to the system manager who will require the system name, HIC, date of birth, and sex, and for verification purposes, the subject individual's name (woman's maiden name, if applicable), and social security number (SSN). Furnishing the SSN is voluntary, but it may make searching for a record easier and prevent delay.

**RECORD ACCESS PROCEDURE:**

For purpose of access, use the same procedures outlined in Notification Procedures above. Requestors should also reasonably specify the record contents being sought. (These procedures are in accordance with Department regulation 45 CFR 5b.5(a)(2)).

**CONTESTING RECORD PROCEDURES:**

The subject individual should contact the system manager named above, and reasonably identify the record and specify the information to be contested. State the corrective action sought and the reasons for the correction with supporting justification. (These procedures are in accordance with Department regulation 45 CFR 5b.7).

**RECORD SOURCE CATEGORIES:**

Information contained in this records system is obtained from third party agencies, Social Security Administration's Master Beneficiary Record, and CMS' Enrollment Database.

**SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:**

None.

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