

which would be chosen in a competitive bidding process. In conjunction with the Federal Reserve, the survey firm would update and finalize the questionnaire for the new survey. The survey firm would then conduct two pre-tests with a minimum of fifty small business firms in each pre-test. Following pre-test revisions to the questionnaire, the survey would be conducted by means of computer-assisted telephone interviews. Interviewing would likely commence in early 2004.

Board of Governors of the Federal Reserve System, April 10, 2003.

**Jennifer J. Johnson,**

*Secretary of the Board.*

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**FEDERAL RESERVE SYSTEM**

**Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 9, 2003.

**A. Federal Reserve Bank of Chicago** (Phillip Jackson, Applications Officer)

230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *MainSource Financial Group*, Greensburg, Indiana; to acquire 100 percent of the voting shares of First Community Bancshares, Inc., Bargersville, Indiana, and thereby indirectly acquire voting shares of First Community Bank & Trust, Bargersville, Indiana.

**B. Federal Reserve Bank of Dallas** (W. Arthur Tribble, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. *The Jere J. Ruff Family Limited Partnership, II*, Longview, Texas; to acquire 44.26 percent of the voting shares of The First State Bank, Hallsville, Texas.

2. *Ruff Management, L.L.C.*, Longview, Texas; to acquire 52.32 percent of the voting shares of The First State Bank, Hallsville, Texas.

3. *Ruff Partners, Ltd.*, Longview, Texas; to acquire 52.32 percent of the voting shares of The First State Bank, Hallsville, Texas.

Board of Governors of the Federal Reserve System, April 10, 2003.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

[CMS-1256-N]

RIN 0938-AM60

**Medicare Program; Notice of Ambulance Fee Schedule in Accordance With Federal District Court Order**

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

**ACTION:** Notice.

**SUMMARY:** This notice announces the steps CMS is taking to comply with the Order in *Lifestar Ambulance Service, Inc. v. United States*, No. 4:02-CV-127-1 (M.D. Ga. Jan. 16, 2003) Medicare Covered Ambulance Services.

**EFFECTIVE DATE:** This notice is effective on April 16, 2003.

**FOR FURTHER INFORMATION CONTACT:** Anne Tayloe, (410) 786-4546.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Section 4531 of the Balanced Budget Act of 1997 (BBA) required the

Secretary of the Department of Health and Human Services to establish a national fee schedule (FS) for payment of ambulance services through a negotiated rulemaking process. The statute provided that the Secretary phase in the application of payment rates under the FS in an efficient and fair manner and that the aggregate amount of payment for such services under the new FS not exceed the amount that would have been paid under the old system (42 U.S.C. § 1395m(l)(1), (2), (3)). The BBA provided that the FS would apply to services furnished on or after January 1, 2000.

The September 12, 2000 proposed rule (65 FR 55078) and the February 27, 2002 final rule (67 FR 9100) both provide for payment for ambulance services to be made in two parts: a base rate and a payment for mileage. Section 423 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA), which was passed after the publication of the proposed rule and prior to the promulgation of the final rule, provided that during the phase-in of the FS there would be full payment of any national mileage rate for ambulance services furnished by suppliers in States where the Medicare carrier did not previously pay separately for all mileage within the county from which the beneficiary is transported. Two States have been identified as qualifying under this provision: North Carolina and Tennessee. The BIPA states that this provision shall apply to services furnished on or after July 1, 2001. The FS was implemented on April 1, 2002 by the February 27, 2002 final rule. The final rule announced the 5-year phase-in that is based on a blend of a percentage of the payment based on the old payment system with a percentage of the payment based on the FS according to the following schedule:

| Calendar year | Percentage of old payment system | Percentage of fee schedule |
|---------------|----------------------------------|----------------------------|
| 2002*         | 80                               | 20                         |
| 2003          | 60                               | 40                         |
| 2004          | 40                               | 60                         |
| 2005          | 20                               | 80                         |
| 2006          | 0                                | 100                        |

\* April 1, 2002 through December 31, 2002 only.

The full national FS mileage rate in those States that qualify for section 423 of the BIPA (North Carolina and Tennessee) has been paid as of April 1, 2002.

In *Lifestar Ambulance Service, Inc. v. United States*, No. 4:02-CV-127-1