

before posting a final version on its Web site.

**FOR FURTHER INFORMATION CONTACT:**

David N. Weissman, MD, CDC/NIOSH, Division of Respiratory Disease Studies, Mailstop H-2900, 1095 Willowdale Road, Morgantown, WV 26505, 304-285-5749.

Information requests can also be submitted by e-mail to [CWHSP@cdc.gov](mailto:CWHSP@cdc.gov).

Dated: November 10, 2005.

**John Howard,**

*Director, National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention.*

[FR Doc. 05-22762 Filed 11-16-05; 8:45 am]

**BILLING CODE 4163-19-P**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

**Privacy Act of 1974; Report of New System of Records**

**AGENCY:** Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services (CMS).

**ACTION:** Notice of New System of Records (SOR).

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, we are proposing a new SOR titled, "Medicare Premium Withhold System (PWS), No. 09-70-0552." On December 8, 2003, Congress passed the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Public Law (Pub. L.) 108-173). Among other provisions, MMA allows Medicare payment to health plans for coverage of outpatient prescription drugs under the Medicare Part D benefit. The Social Security Act (the Act) provides for four summary payment mechanisms: Risk adjusted, federal reinsurance subsidies, risk corridor payments, and subsidized coverage for qualified low-income individuals. In addition, there is a premium payable by each beneficiary for Part D coverage, as well as the pre-existing premium for Part C (now known as Medicare Advantage (MA)), created under Title II legislation.

Beginning January 2006, MMA will provide enrollees in MA, and Medicare Advantage Prescription Drug (MAPD) plans an option to have Part C and Part D premiums withheld from their monthly retirement annuities provided by the Social Security Administration (SSA), Railroad Retirement Board (RRB), or Office of Personnel Management (OPM). The Medicare Premium

Withhold System is the system of record (SOR) for maintaining and managing Part C and Part D beneficiary premium payment amounts. For 2006, two external agencies, the SSA and the RRB, provide this monthly premium withholding through the PWS. The Medicare Advantage Prescription Drug System (MARx) notifies SSA and RRB of premium amounts to be withheld and applicable periods on a daily basis. PWS uses interfaces from MARx to track these premium withholding amounts as "expected." PWS also uses interfaces with SSA and RRB to record the withheld premium amounts and periods they apply to as "actual." The PWS notifies the appropriate MA and MAPD of all beneficiary withholdings and facilitates the payment of withheld premiums via the automated plan payment system (APPS) and the Financial Accounting System (FACS) for ultimate payment by the United States Treasury.

The primary purpose of the SOR is to process a monthly premium withhold file from SSA and RRB, capture expected premium withholding amounts from MARx and compare them to actual withholding amounts, produce a reconciliation of the reported withholding amounts with amounts transferred via Governmental Payment and Collection (IPAC) files from SSA and RRB, and generate plan payment requests to APPS. Information in this system will also be disclosed to: (1) Support regulatory, reimbursement, and policy functions performed by a contractor or consultant contracted by the Agency; (2) support Medicare Prescription Drug Plans (PDP) and Medicare Advantage Prescription Drug Plans (MAPD) directly or through a CMS contractor for the administration of Title XVIII of the Act; (3) support another Federal or State agency, agency of a state government, an agency established by state law, or its fiscal agent; (4) support constituent requests made to a congressional representative; (5) support litigation involving the Agency, and (6) combat fraud and abuse in certain health benefits 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.

**DATES:** *Effective Dates:* CMS filed a new 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 November 3, 2005. To ensure that all parties have adequate time in which to comment, the 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: CMS Privacy Officer, Division of Privacy Compliance Data Development (DPCDD), 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:**

Linda Bosque, Computer Technology Information Specialist, Division of Medicare Advantage Payment Systems, Information Services Modernization Group, Office of Information Services, CMS, Room N3-13-10, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. The telephone number is 410-786-0164.

**SUPPLEMENTARY INFORMATION:** CMS has long realized that the Medicare program is in the middle of a rapidly changing health insurance industry characterized by an expansion of service delivery models and payment options. The managed care provisions of the Balance Budget Act (BBA) of 1997 (Public Law 105-33) combined with the MMA have made managing beneficiary health choices one of the most critical challenges facing CMS and the health industry at large. To be of maximum use, the data must be organized and categorized into comprehensive interrelated systems.

The Medicare Premium Withhold System (PWS) is a new system that helps remove barriers to beneficiary enrollment in Medicare's new prescription drug benefits, which will be offered by MAPDs and PDPs effective January 1, 2006. Through the PWS, CMS has extended to both Part C and Part D enrollees the option of withholding their monthly premium amounts from retirement annuities provided by external agencies, including SSA and RRB (and OPM in future releases of the system). The PWS builds upon the Enterprise Data Exchange with these three agencies, adding data stores and reporting capabilities in order to

facilitate beneficiary cost-sharing. By forwarding withheld premium amounts to MAs, MAPDs and PDPs, PWS retrospectively supplements the monthly, prospective payment to plans of capitated amounts and low-income subsidies calculated in MARx. In addition to these components of the plan payment transaction, APPS receives from PWS all the premium-related information required to facilitate the execution of plan payments.

Beginning January 2006, MMA will provide enrollees in MA, and Medicare Advantage Prescription Drug (MAPD) plans an option to have Part C and Part D premiums withheld from their monthly retirement annuities provided by the Social Security Administration (SSA), Railroad Retirement Board (RRB) or Office of Personnel Management (OPM). The Medicare Premium Withhold System is the system of record (SOR) for maintaining and managing Part C and Part D beneficiary premium payment amounts. For 2006, two external agencies, the SSA and RRB, provide this monthly premium withholding through the PWS.

The Medicare Advantage Prescription Drug System (MARx) notifies SSA and RRB of premium amounts to be withheld and applicable periods on a daily basis. PWS uses interfaces from MARx to track these premium withholding amounts as "expected." PWS also uses interfaces with SSA and RRB to record the withheld premium amounts and periods they apply to as "actual." The PWS notifies the appropriate MA and MAPDs of all beneficiary withholdings and facilitates the payment of withheld premiums via the automated plan payment system (APPS), and the Financial Accounting System (FACS) for ultimate payment by the U.S. Treasury. The PWS carries out these responsibilities through key monthly functions including:

- Receiving monthly premium withhold files from SSA and RRB that identify premium amounts withheld and the periods they apply to. These are used as "actual" amounts.

- Receiving a monthly premium withhold extract from MARx that identifies beneficiaries electing Premium Withhold and the premium amounts and the periods they apply to. These are used by PWS as "expected" amounts.

- PWS performs monthly reconciliation of the MARx expected amounts and the SSA or RRB actual amounts, identifying discrepancies and, if necessary, directing MARx to convert a beneficiary whose withholding is incorrect to direct bill status. The results

of the reconciliation are reported to MARx for distribution to the plans.

- PWS also performs a reconciliation of the report of funds transferred by SSA and RRB to the actual transfer accomplished via the Intergovernmental Payment and Collection (IPAC) files from SSA and RRB.

- PWS 1 produces a file that is sent to the Automated Plan Payment System (APPS) that indicates the proper payment of withheld funds to the MA and MAPD plans.

An independent technical evaluation of CMS' managed care systems found that the new premium withhold functionality required by MMA could not be supported by existing Medicare systems. The comprehensive review of existing systems was necessary in order to proceed with a development effort that would ensure the new MMA provisions and future customer service and program management objectives were met.

## I. Description of System of Records

### A. Statutory and Regulatory Basis for the System

Authority for maintenance of the system is given under Section 101 of MMA (Pub. L. 108-173) amended the Title XVIII of the Social Security Act. Authority for maintenance of the system is also given under the provisions of §§ 1833(a)(1)(A), 1860, 1866, and 1876 of Title XVIII of the Act (42 U.S.C. 1395(A)(1)(a), 1395cc, and 1395mm).

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

The Medicare Premium Withhold System creates a PWS Data Mart to store data needed for processing and record keeping. The PWS Data Mart stores, at the beneficiary level, the expected withholding data and the actual withholding data as reported by the withholding agencies.

## II. Agency Policies, Procedures, and Restrictions on Routine Uses

### A. 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 PWS 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 achieve the purpose of PWS.

CMS has the following policies and procedures concerning disclosures of information that will be maintained in the system. Disclosure of information from the system will be approved only to the extent necessary to accomplish the purpose of the disclosure and only after CMS:

1. Determines that the use or disclosure is consistent with the reason that the data is being collected; e.g., to process a monthly premium withhold file from SSA and RRB, capture expected premium withholding amounts from MARx and comparing them to actual withholding amounts, produce a reconciliation of the reported withholding amounts with amounts transferred via IPAC files from SSA and RRB, and generate plan payment requests to APPS.

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 of disclosure of the record;
  - b. Remove or destroy, at the earliest time, all patient-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 PWS facilitator 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 propose to establish or modify the following routine use disclosures of information maintained in the system:

1. To Agency contractors or consultants who have been contracted 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.

2. To Medicare Prescription Drug Plans (PDP) and Medicare Advantage Prescription Drug Plans (MAPD) directly or through a CMS contractor for the administration of Title XVIII of the Act.

PDPs and MAPDs require PWS information in order to establish the validity of evidence or to verify the accuracy of information presented by the individual, as it concerns the individual's entitlement to Part D benefits under the Medicare Prescription Drug Benefit Program.

3. 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 PWS information in order to support evaluations and monitoring of Medicare claims information of beneficiaries, including proper reimbursement for services provided.

In addition, state agencies in their administration of a Federal health program may require PWS information for the purposes of determining, evaluating and/or assessing cost, effectiveness, and/or the quality of health care services provided in the state.

Disclosure under this routine use shall be used by state Medicaid agencies pursuant to agreements with the HHS for determining Medicaid and Medicare eligibility, for quality control studies, for determining eligibility of recipients of assistance under Titles IV, XVIII, and XIX of the Act, and for the administration of the Medicaid program. Data will be released to the state only on those individuals who are patients under the services of a Medicaid program within the state or who are residents of that state.

We also contemplate disclosing information under this routine use in situations in which state auditing agencies require PWS information for auditing state Medicaid eligibility considerations. CMS may enter into an agreement with state auditing agencies to assist in accomplishing functions relating to purposes for this *SOR*.

4. 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.

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

5. 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 and that the use of such

records by the DOJ, court or adjudicatory body is compatible with the purpose for which the agency collected the records.

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.

6. 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 may enter 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.

7. 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 PWS information for the purpose of combating fraud and abuse in such Federally-funded programs.

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

To the extent this system 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 (12-28-00), subparts A and E. Disclosures of Protected Health Information that are otherwise 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 data not directly identifiable, except pursuant to one of the routine uses or if required by law, if we determine 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**

CMS has safeguards in place 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 information security requirements. Employees who maintain records in this system are instructed not to release data until the intended recipient agrees to implement appropriate management, operational and technical safeguards sufficient to protect the confidentiality, integrity and availability of the information and information systems and to prevent unauthorized access.

This system will conform to all applicable Federal laws and regulations and Federal, HHS, and CMS policies and standards as they relate to information security and data privacy. These laws and regulations may apply but are not limited to: The Privacy Act of 1974; the Federal Information Security Management Act of 2002; the Computer Fraud and Abuse Act of 1986; the Health Insurance Portability and Accountability Act of 1996; the E-Government Act of 2002, the Clinger-Cohen Act of 1996; MMA, and the corresponding implementing regulations. OMB Circular A-130, Management of Federal Resources, Appendix III, Security of Federal Automated Information Resources also applies. Federal, HHS, and CMS policies and standards include but are not limited to: All pertinent National

Institute of Standards and Technology publications; the HHS Information Systems Program Handbook and the CMS Information Security Handbook.

### **V. Effect of the Proposed System 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. We will only disclose the minimum personal data necessary to achieve the purpose of PWS. Disclosure of information from the system will be approved only to the extent necessary to accomplish the purpose of the disclosure. CMS has assigned a higher level of security clearance for the information maintained in this system in an effort to provide added security and protection of data in this system.

CMS will take precautionary measures 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 from the proposed 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: November 3, 2005.

**Charlene Frizzera,**

*Acting Chief Operating Officer, Centers for Medicare & Medicaid Services.*

**System No.: 09-70-0552**

#### **SYSTEM NAME**

"Medicare Premium Withhold System" (PWS) HHS/CMS/OIS.

#### **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 will include information on recipients of Medicare hospital insurance (Part A) and Medicare medical insurance (Part B) and recipients of the Prescription Drug Benefits Program (Part D) enrolled in the Medicare Advantage (MA) Program.

#### **CATEGORIES OF RECORDS IN THE SYSTEM**

The system will also include information about a beneficiary's entitlement to Medicare benefits and enrollment in Medicare Programs, prescription drug coverage and supplementary medical claims information. The system will contain identifying information such as beneficiary name, health insurance claim number, social security number, and other demographic information.

#### **AUTHORITY FOR MAINTENANCE OF THE SYSTEM**

Authority for maintenance of the system is given under section 101 of the MMA (Pub. L. 108-173) amended the Title XVIII of the Social Security Act. Authority for maintenance of the system is also given under the provisions of §§ 1833(a) (1) (A), 1860, 1866, and 1876 of Title XVIII of the Act (42 CFR parts 417 and 422).

#### **PURPOSE (S) OF THE SYSTEM**

The primary purpose of the SOR is to process a monthly premium withhold file from SSA and RRB, capture expected premium withholding amounts from MARx and compare them to actual withholding amounts, produce a reconciliation of the reported withholding amounts with amounts transferred via Governmental Payment and Collection (IPAC) files from SSA and RRB, and generate plan payment requests to APPS. Information in this system will also be disclosed to: (1) Support regulatory, reimbursement, and policy functions performed by a contractor or consultant contracted by the Agency; (2) support Medicare Prescription Drug Plans (PDP) and Medicare Advantage Prescription Drug Plans (MAPD) directly or through a CMS contractor for the administration of Title XVIII of the Act; (3) support another Federal or State agency, agency of a state government, an agency established by state law, or its fiscal agent; (4) support constituent requests made to a congressional representative; (5) support litigation involving the Agency, and (6) combat fraud and abuse in certain health benefits programs.

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

##### **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 PWS facilitator 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 propose to establish or modify the following routine use disclosures of information maintained in the system:

1. To Agency contractors or consultants who have been contracted 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.

2. To Medicare Prescription Drug Plans (PDP) and Medicare Advantage Prescription Drug Plans (MAPD) directly or through a CMS contractor for the administration of Title XVIII of the Act.

3. 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.

4. 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.

5. 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 and that the use of such records by the DOJ, court or adjudicatory body is compatible with the purpose for which the agency collected the records.

6. 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.

7. 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.

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

To the extent this system 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 (12-28-00), subparts A and E. Disclosures of Protected Health Information that are otherwise 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 data not directly identifiable, except pursuant to one of the routine uses or if required by law, if we determine 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).

#### **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 and health insurance claim number of the beneficiary.

##### **SAFEGUARDS**

CMS has safeguards in place 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 information security requirements. Employees who maintain records in this system are instructed not to release data until the intended recipient agrees to implement appropriate management, operational and technical safeguards sufficient to protect the confidentiality, integrity and availability of the information and information systems and to prevent unauthorized access.

This system will conform to all applicable Federal laws and regulations and Federal, HHS, and CMS policies and standards as they relate to information security and data privacy.

These laws and regulations may apply but are not limited to: The Privacy Act of 1974; the Federal Information Security Management Act of 2002; the Computer Fraud and Abuse Act of 1986; the Health Insurance Portability and Accountability Act of 1996; the E-Government Act of 2002, the Clinger-Cohen Act of 1996; MMA, and the corresponding implementing regulations. OMB Circular A-130, Management of Federal Resources, Appendix III, Security of Federal Automated Information Resources also applies. Federal, HHS, and CMS policies and standards include but are not limited to: All pertinent National Institute of Standards and Technology publications; the HHS Information Systems Program Handbook and the CMS Information Security Handbook.

##### **RETENTION AND DISPOSAL:**

Records are maintained with identifiers for all transactions after they are entered into the system for a period of 6 years and 3 months. Records are housed in both active and archival files. All claims-related records are encompassed by the document preservation order and will be retained until notification is received from the Department of Justice.

##### **SYSTEM MANAGER AND ADDRESS:**

Director, Division of Medicare Advantage Appeals and Payment Systems, Information Services Modernization Group, Office of Information Services, CMS, Room N3-16-24, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

##### **NOTIFICATION PROCEDURE:**

For purpose of access, the subject individual should write to the systems manager who will require the system name, SSN, address, date of birth, sex, and for verification purposes, the subject individual's name (woman's maiden name, if applicable). 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:**

Data for this system is collected from the Medicare Advantage Prescription Drug System (MARx) system, the Medicare Beneficiary Database (MBD), as well as two external providers of monthly retirement annuities, SSA, and RRB, with potentially OPM as the third external partner in a future release of the PWS.

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

None.

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BILLING CODE 4120-03-P

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**Office of Community Services;  
Program Announcement for Assets for Independence Demonstration Program Grants**

Notice of amendment to the standing announcement for Assets for Independence Demonstration Program Grants, HHS-2005-ACF-OCS-EI-0053, CFDA #93.602, published on February 9, 2005.

**AGENCY:** Office of Community Services (OCS), Administration for Children and Families, U.S. Department of Health and Human Services.

**ACTION:** Notice of Amendment.

The program announcement concerning the application procedures for the Assets for Independence Demonstration Program grants

published on February 9, 2005 in Volume 70, **Federal Register**, pages 6879-6888 is hereby modified. The amendment modifies the application receipt requirements.

**SUMMARY:** On February 9, 2005, the Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services published an announcement seeking applications for the Assets for Independence Demonstration Program. The announcement appeared in Volume 70, pages 6879-6888 of the **Federal Register**. This document announces a change in the application receipt requirements. To be considered timely for all application due dates, applications now must be *received* at the OCS Operations Center no later than the due dates.

The Program Announcement for Assets for Independence Demonstration Program is a standing announcement. It is effective until canceled or changed by the Office of Community Services (OCS). Applicants may submit applications at any time throughout the year. OCS will review and make funding decisions about applications submitted by any of three due dates: March 15, June 15, and November 1. (If a date falls on a weekend, the due date will be the following Monday.) For example, starting in mid-March annually, OCS will review all applications submitted November 2 through March 15. Starting in early June, OCS will review all applications submitted March 16 through June 15. And, starting in early November, OCS will review all applications submitted June 16 through November 1. Unsuccessful applicants may submit a new application in any succeeding application period.

(1) Under *Section IV.3. Submission Dates and Times*

Please Delete the following:

**Explanation of Due Dates**

The closing time and date for receipt of applications is referenced above. Mailed applications postmarked after the closing date will be classified as late.

**Deadline:** Mailed applications shall be considered as meeting an announced deadline if they are either received on or before the deadline date or sent on or before the deadline date and received by ACF in time for the independent review referenced in Section IV.6.

Applicants must ensure that a legibly dated U.S. Postal Service postmark or a legibly dated, machine produced postmark of a commercial service is affixed to the envelope/package containing the application(s). To be

acceptable of proof of timely mailing, a postmark from a commercial mail service must include the logo/emblem of the commercial mail service company from the applicant. Private Metered postmarks shall not be acceptable as proof of timely mailing.

(Applicants are cautioned that express/overnight mail services do not always deliver as agreed.)

Please Replace the deleted paragraphs under *Section IV.3. Submission Dates and Times* with the following:

**Explanation of Due Dates**

The closing time and date for *receipt* of applications is referenced above. Applications *received* after 4:30 p.m., eastern time, on the closing date will be classified as late and will not be considered in the current competition.

Applicants are responsible for ensuring that applications are mailed or submitted electronically well in advance of the application due date.

(Applicants are cautioned that express/overnight mail services do not always deliver as agreed.)

All information in this Notice of amendment is accurate and replaces information specified in the February 9, 2005 Notice.

**Announcement Availability:** The Assets for Independence Demonstration Program announcement and all application materials are available at <http://www.Grants.gov>. Standard forms and certifications may also be found at <http://www.acf.hhs.gov/programs/ofs/forms.htm>. Finally, the OCS Asset Building Web site at <http://www.acf.hhs.gov/assetbuilding> provides much information about the Assets for Independence Demonstration Program and the application process. The page includes links to all required forms as well as to a guidebook for developing an AFI Project and applying for an AFI grant.

**FOR FURTHER INFORMATION CONTACT:**

James Gatz, Manager, Assets for Independence Program, Telephone: (202) 401-4626 or E-mail: [AFIPProgram@acf.hhs.gov](mailto:AFIPProgram@acf.hhs.gov). An array of helpful information is posted on the OCS Asset Building Web site at <http://www.acf.hhs.gov/assetbuilding>.

Dated: November 10, 2005.

**Josephine B. Robinson,**

*Director, Office of Community Services.*

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